

NEWS SUMMARY

GENERAL

Mark Thatcher missing in Sahara

A full-scale search was going on in the Sahara last night for the Prime Minister's son Mark Thatcher and his rally crew who were reported stranded after their car broke down four days ago.

Earlier reports that he had been found were denied and the organisers of the 10,000 mile Paris-Dakar rally were said to be very concerned for his safety.

Kitson released

Detained Briton Steven Kitson was freed by South African authorities, campaigners for his release claimed in London.

NF editor jailed

Old Bailey judge jailed Joseph Pearce, editor of the National Front youth paper Bulldog, for six months for publishing material likely to stir up racial hatred.

Scandal inquiry

Northern Ireland's Health Department said an inquiry would be held into the homosexual scandal at a Belfast boys' home after cover-up allegations.

Le Monde vote

Editorship of French daily Le Monde is in doubt after journalists voted to rescind their earlier appointment of M Claude Julien, Page 2

GDR crackdown

East Germany has started to suppress the church-led peace movement which was inspired by recent demonstrations in West Germany, Page 2

By-election date

The Glasgow Hillhead by-election is likely to be held on March 9, after the Budget. Senior Tories do not want to risk a snap poll, Page 6

Sailor jailed

A sailor who threatened to sell secrets to Moscow in revenge for being dismissed from the Navy was jailed for three months by an Old Bailey court.

Files recovered

Police were recovering highly confidential Scotland Yard criminal record files which fell from a private contractor's lorry in central London.

L-test damages

Driving examiner Edward Crowley who fractured his spine when the woman driver he was testing crashed, was awarded £8,000 damages.

Guns theft claim

Police were investigating a claim that Angry Brigade anarchists were responsible for the guns theft from a Cambridgeshire army barracks.

China protests

China protested at the U.S. decision to continue selling warplanes to Taiwan in spite of Washington's ban on the sale of advanced aircraft, Page 4

Journalist free

Sunday Mirror journalist Greg Miskin was given a two-year suspended jail sentence by a Warsaw court for failing to have a Polish visa.

Briefly...

Prisoner in Brixton jail was found dead, hanging in his cell. Strong earth tremor rocked El Salvador.

Financial Times

The Financial Times apologises to those readers who were unable to obtain a copy of the newspaper yesterday. This was because of production difficulties.

BUSINESS

Cash tin up £122.5; equities off 6

EQUITIES recovered slightly after being 7.7 down at the first calculation on overnight Wall Street weakness. The FT 30 share index closed 6.0 lower at 524.6. Page 32

GILTS were affected by sterling's weakness and the possibility of higher U.S. interest rates. The FT Government Securities Index closed 0.22 lower at 61.92. Page 32

WALL STREET

was up 0.09 at 530.55 near the close. Page 30

DOLLAR rose

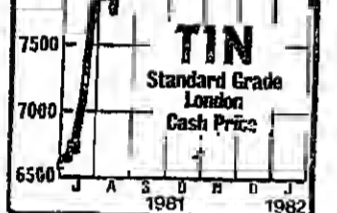
to DM 2.2865 (DM 2.2830), FFR 5.80 (FFR 5.7960) and SwFr 1.8560 (SwFr 1.8535) but fell to Y223 (Y223.25). Its trade-weighted index was 108.4 (108.2). Page 26

STERLING fell

to \$1.8745, down 1.20c on the day, DM 4.2875 (DM 4.3075), FFR 10.8725 (FFR 10.93), SwFr 3.48 (SwFr 3.4975) and Y418 (Y412.25). Its index was 90.7 (91). Page 26

CASH TIN rose

to £8,552.50 a tonne in London.



with the three-month forward price £525 lower, Page 31

GOLD fell \$0.25 in London to \$388.75. In New York, the January Comex close was \$388.8555. Page 26

CONSOLIDATED GOLD fields' net profits were \$161m (£90.2m) in the last quarter of 1981, up 11.6 per cent on third quarter, Page 25

UNCUT DIAMOND sales fell 45 per cent \$1.47bn (£734m) last year, according to De Beers, Back Page

PUBLIC SECTOR borrowing is likely to hit within its £10.5bn target for 1981-82, Page 6

BUDGET BOOST of £10 for public sector capital investment is likely to be urged by the CBI, Back Page

NATIONWIDE Building Society wants to raise £120m in negotiable bond issues this year, Page 6

LLOYDS BANK signed an \$80m leasing deal for a North Sea drilling rig, Back Page

GULF OIL of the U.S. reached preliminary agreement with refinery workers on a 16 per cent pay rise over two years, Back Page

INTERNATIONAL Harvester asked private employment consultancy JCL to create 400 jobs in Doncaster in the next two years, Page 8

UNITED BISCUITS' chairman Sir Hector Laing resigned from Allied-Lyons' board over a possible conflict of interests, Back Page

SGS GROUP, equipment and services supplier, reported pre-tax profits down to £12.32m (£16.28m) in the year to September 30, Page 22; Lex, Back Page

KENNING MOTOR Group turned a £903,000 loss into taxable profits of £3.55m (£4m) in the year to September 30, after re-consolidating Zimbabwe results. The dividend was cut by 2p to 3.5p net, Page 25

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

BL airlifts components to prevent snow halting production

VITAL COMPONENTS are being carried by helicopter to BL Cars plants to beat the effects of the snow and to keep production lines moving, our industry staff write. The airlifts are being augmented by police-escorted road convoys for heavy parts.

Striking train drivers may be suspended

BRITISH RAIL is in consider suspending without pay all train drivers taking part in the pay and productivity strike which began last night. Such a move would mean risking indefinite strike action.

BA seeks cheap air fares pact

BRITISH AIRWAYS is to try to win the agreement of its European counterparts for a range of cheap fares almost 50 per cent lower than existing economy fares between the UK and Continental destinations.

Boddingtons bids for Oldham Brewery

BODDINGTONS BREWERIES, the Manchester-based real ale specialists, is bidding £25m for the neighbouring Oldham Brewery.

unless weather problems eased within the next three days it would be a struggle to keep production lines open. The main difficulty has been with supplies from Wales. There, apart from delivery problems, component-manufacturers have been hit by employees' inability to get to work.

sealers can carry up to 1.5 tonnes of goods. They cost about £750 an hour to hire. Air Hanson Helicopters, of Weybridge, Surrey, in the past few days has experienced a 75 per cent increase in business compared with the corresponding period last year.

Eurodollar rise hits £

THE U.S. dollar continued to go on ground on Europe's foreign exchange markets yesterday morning helped by the overnight rise in U.S. interest rates and euro-dollar rates.

Contents

Table of contents listing various articles and their page numbers.

Polish hint of end to martial law

THE POLISH authorities would like to end martial law by February 1, according to Mr Jerzy Ozdowski, a deputy premier.

Spot in New York

Table showing spot rates in New York for various currencies and commodities.

Advertisement for THE £25 MILLION LIFT TRUCK, featuring a large image of a Hyster forklift and promotional text.

EUROPEAN NEWS

Wary Warsaw relaxes slightly under military's watchful gaze

BY CHRISTOPHER SOBINSKI IN WARSAW

THE SECURITY forces manning the street corners of Warsaw are now well settled in. One corner which I pass daily is manned by two policemen and two soldiers who have established a cosy routine.

Over the past month, although there has been little reason for going out in the evening—the cinemas and theatres opened again this week—people have had to scurry home to get in by 11 o'clock.

Under martial law regulations, the authorities have the right to direct labour to any task they choose and for most of those picked up the task appears to be shovelling snow off the streets.

cut and private travel requires police permission. Business trips are allowed, however, and the trains are starting to fill up again.

For many Poles, however, the greatest shock has been the realisation that once again the authorities seem to have unlimited powers.

gathering information and recruiting new informers. For the families of those workers and intellectuals who have been arrested and detained, life revolves around the prisons and internment centres.

Angry Haig denies U.S. adopting 'double standard'

BY JOHN WYLES IN BRUSSELS

THE U.S. Secretary of State, Mr Alexander Haig, yesterday angrily denied that Washington was operating a "double standard" in condemning events in Poland while supporting repressive regimes elsewhere in the world.

Quick solution sought on debts

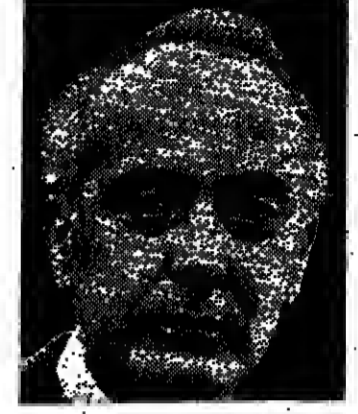
BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

POLAND HAS told a leading West German banker that it still places great importance on a quick signing of an agreement with Western banks to defer repayment of some \$2.4bn in debt falling due last year.

Marian Krzak, Finance Minister, and Mr Marian Minkiewicz, President of Bank Handlowy, the Polish Foreign trade bank.

said that payment of outstanding interest areas was prerequisite for a signing of the rescheduling agreement.

Dr Friderichs (right): invited to Warsaw



Schmidt hints at economy boost

BY OUR BONN CORRESPONDENT

A BROAD HINT that the West German Government will decide shortly on steps to help boost economic growth and curb unemployment has been dropped by Chancellor Helmut Schmidt.



Schmidt... discipline

In an interview with the weekly magazine Stern, however, he also stressed that such measures would only have their effect if employers exercised discipline on prices and employees on wages.

N-weapon talks resume

By Bridget Bloom, Defence Correspondent

U.S.-SOVIET talks on controlling the spread of nuclear weapons in Europe resumed in Geneva yesterday despite worsening relations between the two super powers following the imposition of martial law in Poland.

Mr Paul Nitze, chief U.S. negotiator, publicly welcomed Mr Yuri Kvititsinsky, his Soviet counterpart, to the U.S. mission where the delegations met for over two hours.

Choosing editor makes news at Le Monde

BY DAVID WHITE IN PARIS

AN EXPERIMENT in journalistic democracy at the renowned French daily Le Monde has run aground, a year before the first elected editor is due to take office.

Opposition to M Julien within the newspaper grew sharply as a result of a recent incident in which he accused a journalist of "leaking" information about Le Monde's affairs.

difficulty—if not impossibility—of finding a figure who is politically acceptable to everybody on the newspaper.

East German opposition to any all-over-European initiative in Eastern Europe is based on the concept of the "just war" in the cause of defending the Communist system.

DANISH GOVERNMENT LOOKS FOR DIVERSE SUPPORT

Joergensen gambles on economic plan

BY HILARY BARNES IN COPENHAGEN

DENMARK'S RECONSTITUTED Social Democratic minority Government will be caught in a dangerous cross-fire in the parliamentary battles of the next few weeks.

attempt to recoup the losses it suffered in the last election on December 8. Then the Social Democrats lost nine of their former 68 seats in the 179-seat Folketing.

linked bonds. The Government has modified the plan and the Radicals who opposed it in November, may now accept it.

The Danish Prime Minister, Mr Anker Joergensen, promised yesterday that his Social Democratic minority Government will abolish youth unemployment by the end of next year.

The Government would pursue plans to make life insurance companies and pension funds to invest in index-linked bonds with a low real rate of interest.

Premier promises to end youth unemployment

BY OUR COPENHAGEN CORRESPONDENT

decision could be taken by the Council of Ministers on January 25.

Pacifism brings no peace of mind to E. Berlin

By Leslie Collett in Berlin

EAST GERMANY is trying to suppress a growing peace movement inspired by the demonstrations in West Germany which were given enthusiastic support by the East Berlin Government.

Young East German Christians have been told to remove badges from their jackets bearing the words: "Swords into ploughshares." The emblems were made by the East German Protestant Church which is in the forefront of the peace movement.

The Communist Party newspaper Neues Deutschland last weekend cleared up any last doubts when it said "naturally the defensive forces of the Soviet Union cannot do without the atom bomb. Should one invite the imperialists to wipe out Socialism from the face of the earth?"

East German opposition to any all-over-European initiative in Eastern Europe is based on the concept of the "just war" in the cause of defending the Communist system.

At the peace conference, Herr Stefan Heym, the East German writer whose books are only published in the West, noted that "today there no longer is a just war, as there are no just atomic bombs. The SS-20 is as unjust as the Pershing II."

Far from permitting such a peace demonstration, however, the East German Government has instructed the media to tone down coverage of the peace movement in the West.



Yamani predicts price cut for some crudes

BY OUR FOREIGN STAFF

A FURTHER reduction in the price of oil at 50-70 cents per barrel was predicted yesterday by Sheikh Ahmed Zaki Yamani, Saudi Arabian Minister of Oil.



Sheikh Yamani... rules out all embargo

He was apparently referring only to the lightest and heaviest crudes, which were decreased in price as a result of the Organisation of Petroleum Exporting Countries' reassignment of prices in the last quarter of 1981.

Sheikh Yamani gave no indication that his Government was contemplating the possibility of a reduction in the \$34 set for Arabian Light, the Opec basic reference.

At the same time the Saudi Minister predicted an increase in demand at some point in 1982, as consuming countries replenished stocks. At present supply is still exceeding demand, he said.

Sheikh Yamani ruled out an Arab oil embargo against the U.S. "The market is not a seller's market in which an embargo can be imposed," he explained.

He was asked the question with reference to Libya's

demand at last month's Opec conference in Abu Dhabi for collective retaliation against the U.S. because of President Ronald Reagan's decision to pull out American citizens from the country.

Saudis pledge \$500m to Pakistan

By Alain Cass, Asia Editor, in Islamabad

Saudi Arabia has pledged \$500m to Pakistan to help pay for arms worth over \$2bn which President Zia ul-Haq intends to buy over the next six years.

Around \$300m of this will be made available in the next few months, it is understood, to pay for six U.S.-made F-16 fighter aircraft to be delivered to Pakistan as part of the \$3.2bn arms and economic aid package recently pushed through Congress.

It is not clear whether the Saudi aid is in the form of a loan at favourable rates or an outright grant. The kingdom's efforts to bolster the regime of President Zia in the wake of the Soviet invasion of Afghanistan are also a gesture of thanks for Pakistan's pledge to intervene militarily in the event of a threat to the Saudi ruling family.

Coming on top of the American aid package, the International Monetary Fund's \$1.73bn 1980 loan and around \$330m in development and balance of payments aid from the World Bank over the next three years, Pakistan is seeing the biggest infusion of foreign aid in its history.

Details of the U.S. package are now being finalised. The \$3.2bn package will be split into two parts—\$1.6bn in economic assistance and the rest in Government-backed loans under the foreign military sales programme. Funding for the purchase of 40 F-16 aircraft, M60 tanks and other equipment is likely to include syndicated loans.

The economic aid package will this year consist of \$100m in economic assistance and \$50m in commodity aid. This may be badly needed as there are signs that the wheat harvest which provides Pakistan's staple diet could be seriously affected by drought.

Pakistani officials insist that there is no question of the U.S. being allowed bases or other military facilities in Pakistan in return for the aid. There will, however, be a significant increase in U.S. economic and military advisers in Pakistan. The F-16 training and maintenance programme will require between 50 and 100 military advisers alone.

James Buxton, recently in the Horn of Africa, sees no end to the stalemate

Deadlock continues over Ogaden refugee problem

AN UNKNOWN number of people, living in huts of sticks and skins in 44 vast camps in Somalia, are becoming one of the biggest permanent political and human problems in Africa. They are the refugees from Ethiopia, most of whom fled to Somalia after the war between the two countries five years ago.

The exodus was accelerated by drought and renewed heavy fighting in 1979 and 1980. Now the drought is largely over and the refugees are generally well fed and looked after. Yet all but a few still stay, a burden on the Somali economy and the international community.

Most of the nomads from the Ogaden, a vast semi-arid area of Eastern Ethiopia populated by Somalis but acquired by Ethiopia at the end of the 19th century. Somalia lost a war against Ethiopia over it, between 1977 and 1978. Somali troops returned to the Ogaden to support the guerrillas of the Western Somalia Liberation Front in 1980, but were beaten. Ethiopian control now runs for the first time right up to the Somali border. Guerrilla activity inside the Ogaden is scanty and Ethiopians occasionally bomb or shell Somali border villages. The Somalis fear that Lt-Col Mengistu Haile-Mariam of Ethiopia is waiting for a chance to invade.

Ethiopia could do so quite easily because the Somali armed forces are weak. Little has been done to re-equip them

since 1978 and few countries will sell Somalia arms. Italy is the main supplier—it has provided armoured cars, a few counter insurgency aircraft and a contract for helicopters. But that is not nearly enough and many of Somalia's 60,000 troops do not even have boots.

The U.S. refused to come to Somalia's help during the 1977-1978 war and only became interested in 1979, when Afghanistan and Iran shook it out of its post-Vietnam inertia. It finally negotiated access to the Soviet-built port and airfield of Berbera and the port of Mogadishu, in return for economic aid and a \$40m (\$21m) package of defensive arms.

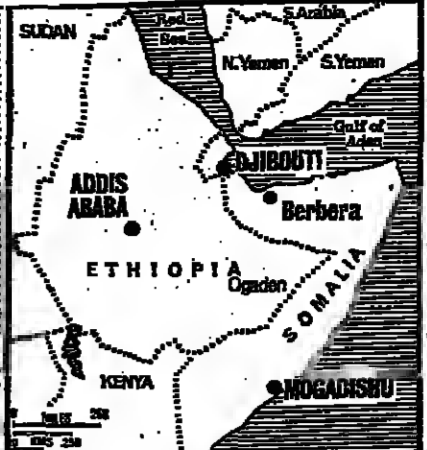
But the agreement was not ratified until early last year, when the U.S. was finally satisfied that the last Somali regulars had left the Ogaden. However, the content and delivery dates of the arms are still being negotiated, although they are expected to consist mainly of "defensive" items such as anti-aircraft guns and radar.

The U.S. is determined not to become involved in the Ogaden issue, to the chagrin of most Somalis. Its use of the access agreement has so far been very modest.

The bright Star 82 exercises last November only involved 400 engineers landing at Berbera to carry out some work on the runway, mend the town's broken telephone exchange and perform a few other municipal



Colonel MENGISTU



President BARRE

tasks. There is not a single U.S. serviceman stationed in Somalia, while there are 1,000 Soviets and 11,000 Cubans in Ethiopia.

But this is not enough to reassure Ethiopia. It seems the U.S. involvement in Somalia as a threat to security and believes from past experience that "defensive" arms supplied to Somalia will end up in the Ogaden. It supports, along with Libya, the Somali Democratic Salvation Front, an opposition group based mainly on one Somali tribe which has carried out guerrilla operations inside Somalia, and is dedicated to the overthrow of Maj-Gen Mohammed Siad Barre, the country's President.

Last July's Organisation of African Unity Summit strongly endorsed Ethiopia's claims over the Ogaden. President Barre later made some overtures to the Ethiopians, but he still insisted that the Somalis of the Ogaden be given self-determination. Ethiopia's position is that any talks must be on the basis that there will be no change in its existing borders.

The stalemate could last a long time. Enough Somalis feel strongly about the Ogaden to

make it difficult for President Barre to back down. But there is a growing feeling among other Somalis, particularly the Isaq tribe of the north, that the Ogaden is a lost cause for the moment.

Meanwhile, Western aid donors have become less starry eyed about the refugees amid allegations that their numbers were grossly exaggerated and that up to half the food supplies never reached them.

Negotiations on the number of refugees are dragging on between the Government and the United Nations High Commission for Refugees (UNHCR) following the partial failure of a headcount last autumn. Before the headcount, the Government had been using an estimate of 1.29m and the UNHCR 650,000. The illegal diversion of relief food has been drastically cut since July when, at U.S. insistence, a charity concern came in to monitor distribution.

But relatively few refugees have gone back to the Ogaden, despite last spring's good rains. Ato Shimelis Adugna, the Ethiopian Commissioner for relief and rehabilitation, said

that up to three months ago 29,000 refugees had returned. Many Somali refugees obviously fear the Ethiopians. No-one knows for sure what life in the Ogaden under Ethiopian rule is like. Other reasons for staying in the camps include lack of grazing animals and the fact that food and medical attention is far better in the camps than outside.

Somali government policy is that the refugees may have to stay in their shelters for years—until Ethiopia allows self-determination for the Ogaden. It argues that there are too many refugees for the Somali economy to absorb, and that to do so would play into what it claims is an Ethiopian policy of de-populating the Ogaden.

Aid donors have proposed schemes for developing agriculture and work in some of the camps to occupy the refugees. But the Government shows little interest, pleading lack of manpower. Some aid agencies are now saying openly that the refugees may be left to moulder in the camps, getting dwindling amounts of international aid, their pride undermined and their way of life destroyed.

Iran seeks urgent loans to buy raw materials

BY TERRY POVY

IRAN is seeking urgent short-term loans from Japanese and West European banks, according to reports from Tokyo. Loans of up to \$100m to purchase vitally needed raw materials are said to be involved.

Iran's central bank has, however, denied the loan reports, claiming that its foreign currency reserves are "as good as" can be expected and improving. Mr Hassan Azarmahd, the deputy governor, described the claims as "baseless lies."

According to the Japanese reports, the loans are to cover short-term financing on chemicals-for-oil deals with major trading companies. Raw materials for synthetic resins, caustic soda and polyvinyl chloride are among the goods being sought by Iran.

Iran's cash foreign currency reserves have tumbled since last summer when oil exports dropped to less than 500,000 barrels a day (b/d) and imports of food, oil products, armaments and raw materials ran at over \$1bn per month.

Since then the central bank has alternated between very tight controls over imports and a complete freeze.

The central bank has not given any figures on its reserves since spring last year, but banking circles in Tehran put these at around the \$1bn level in cash plus some \$2.5bn in gold. Much of the latter is nominally committed to backing the national currency.

In Tehran yesterday Hojatolislam Hassan Monfared, the deputy Minister for Industries and Mines was wounded in an assassination attempt as he left his office in the city centre.

Rawlings names ruling council members

BY QUENTIN PEEL, AFRICA EDITOR

FL-LT JERRY RAWLINGS, leader of the New Year's Eve military coup in Ghana, has named seven members of the Provisional National Defence Council running the country, including two members of the air force, a priest, a student and a trade union leader.

The names were broadcast by Ghana radio, along with plans to move the country's cocoa crop, much of which has been stranded in the growing areas for lack of transport and petrol. Only two members of the ruling

council are well known in political or military circles: Rawlings himself, who was named as chairman, and Brig Joseph Nunoo-Mensah, who was reinstated as Chief of the Defence Staff the day after the coup.

The other two military members of the PNDC are air force men: W/O Joseph Adjei Buadi, and Sgt Daniel Aloga Akata-Pore, who are described respectively as the co-ordinator and secretary of the armed forces defence committee to be set up

to supervise the "revolution" around the country.

There are three civilian members of the council named so far: Father Vincent Dumah, a Roman Catholic priest who was criticised by the former government of Dr Hilla Limann for attacking exploitation of Ghanaians by the ruling elite; Mr Joachim Amarte Kwesi, a trade union leader dismissed after he led a wildcat strike at the Ghana Industrial Holding Corporation last year; and Mr Chris Bukari Atim, described

as a radical student leader and personal friend of FL-Lt Rawlings.

The radio announced the setting up of a cocoa evacuation task force, headed by Col W. M. Mensah-Woodie, to move the country's most important source of foreign exchange. News-agency reports said the task force was planning to enlist students to help with moving the crop.

Right: Fl Lt Rawlings, chairman of the council



When you're a commanding height in Dutch insurance there are still new peaks to conquer

In a remarkably short time Ennia has climbed up among the leaders in Dutch insurance.

We don't intend to just sit and admire the view.

Sustained and balanced growth on an international basis has always been our objective.

It remains so for the future.

International business already accounts for 23% of total turnover, and at the end of last year we took another major step overseas by acquiring The

National Old Line Insurance Company of Little Rock, Arkansas.

This long established and successful company will spearhead our expansion in the U.S. life assurance and health products market. Life assurance in force amounts to almost U.S.\$5 billion and total income for 1980 was approximately U.S.\$73 million.

In addition to our growing presence in North America, we have offices, subsidiaries and affiliates in Europe, the Middle East, the Caribbean

and South-East Asia. The Ennia Group operates in three main areas: life assurance (54%), general and reinsurance (37%), and related sectors such as mortgages, property development and holiday centres (9%).

If you are interested in a soundly-based international company with a clear view of where it's going, you should know more about Ennia.

Post the coupon and we'd be delighted to help.

ennia nv
Insurance Group

Balanced growth internationally

To: Ennia-NV, PO Box 202, Churchplein 1, The Hague, The Netherlands. Telephone: (070) 727272. Telex: 31657. I would like more information about your Group. Name _____ Company _____ Address _____ FT

AMERICAN NEWS

Reagan shocks supporters over Taiwan

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan, with his refusal to self-advance again demonstrated that he is not a puppet to the powerful right-wing forces that helped win last year's election. On the contrary, he has left many of his more conservative supporters feeling shocked and betrayed.

promoted two career diplomats, Mr Walter Stuessel and Mr Lawrence Eagleburger, to the number two and number three posts in the State Department, rather than choosing strong right-wing political figures.

Clark, the former Deputy Secretary of State, as well as the other State Department changes, have strengthened the band of Mr Alexander Haig, the Secretary of State, who regards relations with Peking as being of far greater strategic importance than the Taiwan relationship.

a final review by the National Security Council last week. The Administration originally had four options: To make no new sale at all, to continue selling the Northrop F-5E aircraft, to sell the more advanced F-5C or, lastly, the General Dynamics F-16, with perhaps a less powerful engine than the version used by the U.S. Air Force.



U.S. Air Force orders KC-10s from McDonnell

BY OUR NEW YORK CORRESPONDENT

McDONNELL DOUGLAS, the U.S. aerospace company which manufactures the DC-10 wide-body commercial aircraft, said yesterday that the U.S. Air Force had placed a \$196m (£104m) order for four KC-10A aircraft, the military version of the DC-10, for delivery next year.

'Strong protest' to Washington by Peking

BY OUR PEKING CORRESPONDENT

CHINA yesterday issued what it described as a "strong protest" over the U.S. decision to continue sales of military aircraft to Taiwan.

the timing of Washington's announcement than its contents. The whole question of U.S. arms sales must be settled through discussion between the U.S. and Chinese Governments, the statement added.

that its recent pressure on the U.S. has persuaded Washington against supplying the F-5C or the still more potent F-16 to Taiwan.

Taipei points to threat of Communist invasion

TAIPEI — Taiwan said yesterday it took exception to the U.S. decision not to sell the country advanced military aircraft and maintained that mainland China still intended subjugating the island by force.

"We earnestly hope that the U.S. will understand this situation and provide us with defensive weapons in accordance with the Taiwan Relations Act so as to enable us to keep sufficient military capability to defend ourselves at present as well as in the future."

World Bank chief woos conservative financiers

BY DAVID TONGE

MR A. W. CLAUSEN, president of the World Bank, yesterday launched an urgent bid for fuller support from the bank's major members. In a speech in Tokyo, apparently aimed at overcoming suspicion of the bank in a conservative Washington, he insisted that the bank was "not the Robin Hood of the international financial set."

TRIAL IN A RICH ENCLAVE

Von Bulow case shatters calm of Newport

BY PAUL BETTS IN NEW YORK

A HIGH SOCIETY trial opened this week in Newport, Rhode Island, the Atlantic coast resort, with all the ingredients of a vintage Agatha Christie mystery.

liminary jury selection process began. Mr Von Bulow, immaculately dressed as ever, vigorously denied the charges as he has done ever since the case began.

mother. Although Newport has lost some of the glitter of its heyday, it remains a nostalgic enclave where the very rich still summer in estates, some open at certain seasons to the public, which are the closest thing in the U.S. to the stately homes of England.

WORLD TRADE NEWS

UK company uncorks wine container market in France

BY NICK GARNETT, NORTHERN CORRESPONDENT

POLYTHENE DRUMS, a small manufacturing company in Skelmersdale, near Liverpool, is in the process of lengthening its exporting tentacle, which already reaches deep into some of the most beautiful wine-growing areas of France.

(France) SARI, based in Dijon. This company is a network of eight regional distribution and marketing agents, largely wine experts and operating in the grape-growing areas.

more popular than the collapsible composite packs, and the company is changing production schedules.

French agents is the crucial element in its exporting arm and this is backed up by — for a small company — sophisticated advertising material in the native language.

World Bank and IDA in \$484m loans

WASHINGTON — The World Bank and its affiliate, the International Development Association (IDA), have approved \$484.5m (£254m) in loans to six countries for agricultural, industrial and mining ventures.

U.S. textiles body calls for tougher trading agreements

BY OUR NORTHERN CORRESPONDENT

A PESSIMISTIC view of the U.S. ability to contain imports of fabrics and clothes coupled with a plea for tougher bilateral trading agreements between the U.S. and exporting nations has been issued by the American Textile Manufacturers Institute.

Volvo Penta wins order worth £23.9m

By William Dullforce in Stockholm

VOLVO PENTA, the engine manufacturing subsidiary of the Swedish automobile group, has won an order worth SKr 250m (£23.9m) for diesel engines from Saudi Arabia. It is the largest single contract won by the company.

Third World co-operation to be discussed

BY K. K. SHARMA IN NEW DELHI

THIRTY-FOUR countries are to attend a conference called by Prime Minister Indira Gandhi in New Delhi from February 24-28 to discuss problems faced by the Third World nations in the context of the stalled North-South dialogue.

operation and the south's attitude in the face of what it considers the largely unhelpful attitude of the countries in the North will figure prominently in the economic conference.

Third World countries feel that the hoped for movement towards negotiations has not materialised. They feel there has been backsliding by some nations on the consensus to boost North-South co-operation agreed at Cancun.

talks was to be purposeful. Against this background some countries approached India to take the lead in sponsoring consultations among the Third World countries.

Thorn EMI secures £17.6m Mideast deal

BY OUR WORLD TRADE STAFF

THORN-EMI Electronics, has won a £17.6m order from an unnamed Middle East customer for Cymbeline mortar locating radars and apares.

that the customer should not be identified. Sphere Environmental Consultants has received letters of intent for contracts worth £2.5m for consulting services and hardware from the Rivers state government of Nigeria.

Consultants, L. H. Manderstam, and Ward, Ashcroft and Parkman.

of private sector customers in Malaysia. The contracts call for ICL to provide a range of computers to its customers.

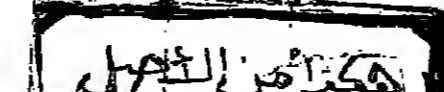
Car curbs call

Belgian officials have asked Japan to continue self-imposed restraint on car shipments to Belgium this year, Japanese International Trade and Industry Ministry officials said, Reuters reports from Tokyo.

Swiss industry likely to see decline in orders

BY JOHN WICKS IN ZURICH

SWISS industry is likely to see a further decline in orders in the first quarter, according to a report prepared by Union Bank of Switzerland.



EVEN WITH POWER-ASSISTED STEERING AND CENTRAL LOCKING, THE 1982 VOLVO DOESN'T ADD UP TO MUCH.

Volvo 244DL	£6998
Rover 2300	£7450
Ford Granada 2.3L	£7999
Mercedes 200	£8700
BMW 520i	£9235

PRICES ARE FOR MANUAL VERSIONS INCLUDING CAR TAX & VAT AT THE CURRENT RATE AND ARE CORRECT AT TIME OF GOING TO PRESS. THE NEW 1982 VOLVO 200 SERIES HAVE POWER-ASSISTED STEERING AND CENTRAL LOCKING AS STANDARD. PRICES START FROM £6998 (DELIVERY AND NUMBER PLATES EXTRAL. SALES TEL: HIGH WYCOMBE (0494) 33444 OR WRITE TO: DEPT FT 20 VOLVO CUSTOMER SERVICES, HIGH WYCOMBE, BUCKS. HP12 3PN. SERVICE TEL: IPSWICH (0473) 72026. PARTS TEL: CRICK (0788) 823511.

Big slice of Channel 4 time for outsiders

INDEPENDENT production companies are likely to get a much larger slice of Independent Television's Channel 4...

Business team to study unemployment chosen

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A TEAM of 12 senior businessmen and one businesswoman has been appointed to the Confederation of British Industry's steering group on unemployment...

set up as a result of a proposal made by the CBI's annual conference in November. "The team we have recruited is of the highest calibre...

Ford criticised over Cargo changes

By John Griffiths

A FORD programme to install a more efficient and 50 per cent more durable engine range in the Cargo truck...

Treasury likely to meet public sector borrowing targets

BY DAVID MARSH

THE TREASURY seems well on the way to achieving its goal of limiting public sector borrowing to £10.5bn in the financial year ending March 30.

season now under way and a further flow of taxes previously held up by the civil servants' dispute.

Extra social security aid for unusual fuel bills

By Lisa Wood

EXTRA CASH aid for social security claimants receiving high fuel bills will be paid by the Department of Health and Social Security...

CBI initiative in rates battle

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE CBI is launching a new initiative this week, involving senior managers and almost certainly shop stewards in member companies...

Mr Cran said the CBI would also like council leaders to speak to shop stewards about the level of short-time working...

Six companies in test of private digital exchanges

BY JASON CRISP

SIX COMPANIES have been tested by British Telecom. The six chosen manufacturers are Ferranti GTE, IIT Business Systems, Harris Systems, Mitel, Philips Business Systems, and Plessey Office Systems.

New Reliant three-wheel car launched

By Kenneth Gooding, Motor Industry Correspondent

BRITAIN'S 100,000 three-wheeler enthusiasts are offered a new model today. Reliant, the sole UK manufacturer, has replaced its Robin with the Rialto...

Nationwide to issue more bonds on money markets

BY PAUL HANNON

THE NATIONWIDE Building Society, Britain's third largest, will step up its efforts to raise money on the wholesale money markets.

SDP conferences

THE Social Democratic Party will repeat its rolling three-centre conference this year, from October 11 to 16. The Consultative Assembly will meet at Cardiff and Derby.

Anchor-chains back

THE making of heavy anchor-chain will be revived by ELM joint-venture company called Catena, British Steel announced yesterday.

British Steel Plc and the Spanish company Vinday of Bilbao will make it at BSC's Glengarnock Works, Scotland. About 30 jobs will be created.

Hillhead poll may follow Budget

BY ELINOR GOODMAN

THE CONSERVATIVES are likely to delay the Glasgow Hillhead by-election, perhaps until a week after the Budget, which is almost certain to be on March 9.

to think there is more to be gained by delay than by rushing into an early poll and risking the mistakes made in Crosby where Mrs Shirley Williams managed to demolish a Conservative majority of 12,272 for the SDP.

Atom power chief meets ministers today

By Our Science Editor

DR HANS BLIX, newly-elected director-general of the International Atomic Energy Agency in Vienna, will meet two senior Ministers, Lord Carrington, the Foreign Secretary, and Mr Nigel Lawson, Energy Secretary, in London today.

Grade group's future still in balance

BY JOHN MOORE

LORD GRADE, chairman of Associated Communications Corporation, the entertainment conglomerate, and Mr Robert Holmes à Court, the Australian entrepreneur, were still locked in talks yesterday about the future control of Associated.

He and his Board are being forced to defend a record compensation payment of £560,000, together with considerable property benefits, to Mr Jack Gill, the group's former managing director, in a legal action against the company by the Post Office Staff Superannuation Fund and a number of other institutional shareholders.

Ulster's Official Unionists look for a forceful but moderate leader

Margaret Van Hattem reports on the power struggle which threatens to split a party

THE PROSPECT of a return to political powers to Northern Ireland is helping to concentrate the minds of the Official Unionist Party. While Mr James Prior, the Northern Ireland Secretary, makes up his mind on the precise form of devolved government he will be proposing for the province, the OUP is engaging in an internal power struggle, which many of its members believe will make or break the party.

This was borne out in the 1978 European Parliament elections when Mr Paisley won 170,688 votes (29.82 per cent) compared with only 68,185 for Mr John Taylor of the OUP. At last May's local government elections the OUP share of council seats fell from 178 to 151. Mr Paisley's Democratic Unionist Party virtually doubled its representation—from 74 to 142 seats—mainly at the expense of minor centre parties, but also to the detriment of the OUP.

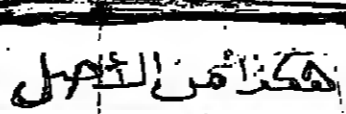
emerging as the most formidable challenger for leadership, stand a large number of party members who feel it is time the party shed its genteel, retired Army officer image for something a little more proletarian and forceful.

Northern Ireland MPs to discuss economic policy. Mr John Taylor, the party's only member of the European Parliament, who is regarded as another possible contender for the leadership, attended the meeting and Mr McCusker let it be known that he would have liked to.

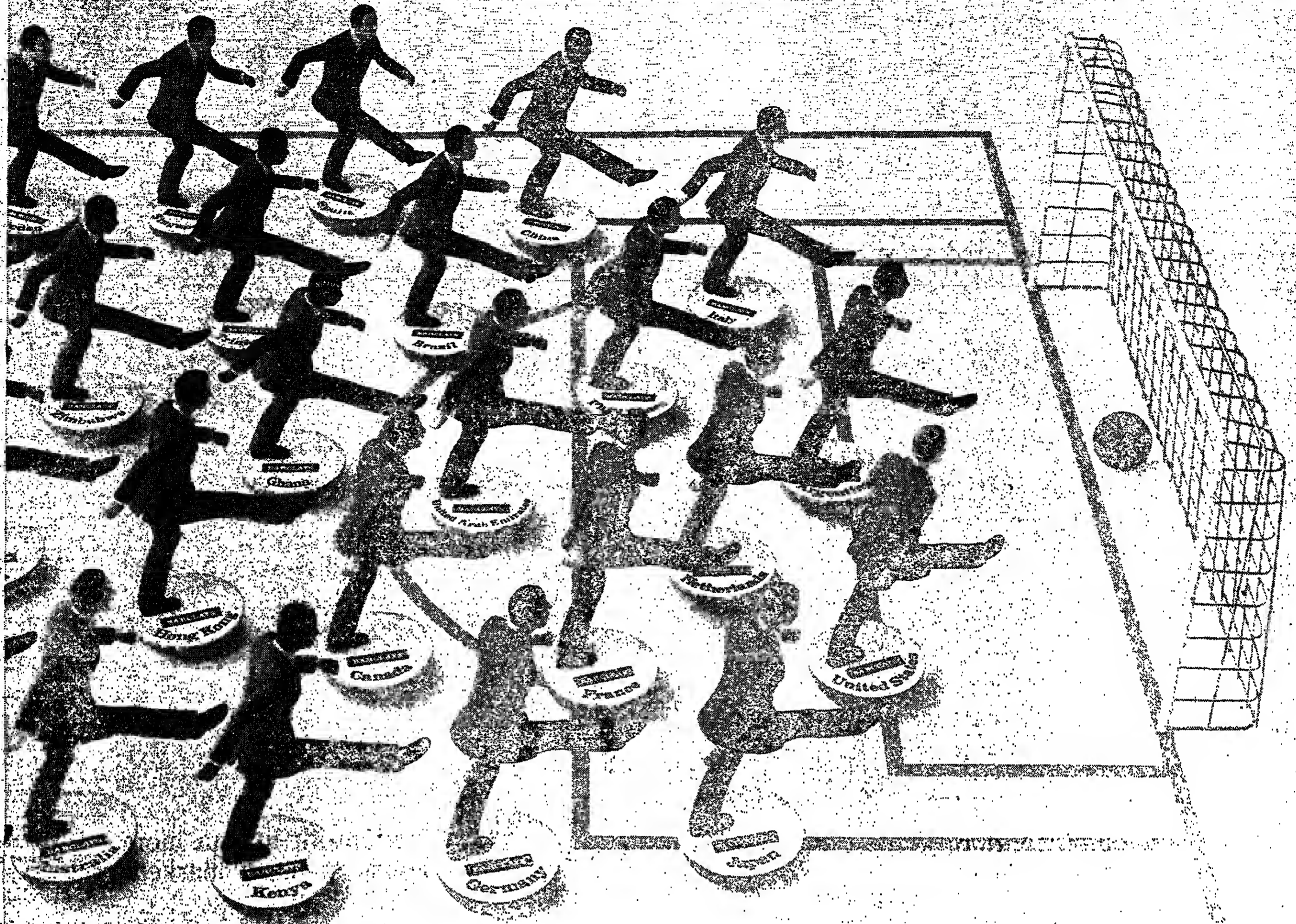
mission proposals due to be implemented before the next General Election, appears to be having a traumatic effect on many local parties.

his close relationship with Mr Powell, whom many see as a negative, stultifying influence.

Mr Powell is widely blamed for the decision to boycott the economic talks with Mr Prior and for the decision to abandon the council boycott.



TACTICS FOR EXPORT GOALS.



GET THE BIGGEST INTERNATIONAL TEAM BY PICKING THE RIGHT MANAGER.

Exporting is one field where most of the action happens away from home. But you don't have to travel the world over to find a bank that will represent you all over the world.

There are some 2,000 Barclays branches in 80 countries spanning six continents - more than any other British bank.

What may be away territory to the exporter, is home ground for a Barclays branch manager overseas.

He can give you all the benefits of his local knowledge. What's more, he's on the spot to help you avoid or solve local problems.

If you come up against a delay in payment, he can find out who's to blame and find a way to speed things up.

If you need to know who's creditworthy and who's not, he can ask the right questions.

And back home, you can look to us for all the export finance services to help your international deals go through quickly and smoothly. We'll give you the help you need with ECGD policies.

Using the services of Barclays around the world starts with a call to your nearest Barclays branch manager here at home. He'll soon have a good team working for you.



BARCLAYS
International

PEOPLE WHERE IT COUNTS.

Extra security for fuel...

te
s

11

ader

UK NEWS

Problems of BSC 'due to state controls'

By Alan Pike
THE DEVELOPMENT of European companies across national borders is suggested as the next step forward for the steel industry by Dr Elizabeth Cottrell, head of research at the Centre for Policy Studies, in a report published yesterday.
"The Giant With Feet of Clay" is the first of a two-part study of the British steel industry from 1945 to the present. Its theme is that the privatisation and government controls are largely responsible for the financial and other problems now facing the British Steel Corporation.
Looking to the future, the study concludes that "the kind of rationalisation and forward integration which has been done by the German companies needs to be done on a European scale."
The European Coal and Steel Community, says the report, would need a lot of political will to promote this kind of thinking, "so foreign to its own cartel traditions," while BSC was hampered by nationalisation from the kind of co-operation which was probably the course thing which could save the European steel industry.
"Yet if joint ventures between the BSC and private sector firms are possible, why not joint ventures on a European level?"
On the industry's more recent activities, Dr Cottrell takes the view that, while the low performance of all British industry since 1974 had seriously affected BSC, the evidence suggests that the corporation had already failed in its objectives by then.
It was therefore "in a far worse position to face the 1975 recession than either the private sector of the steel industry or foreign steel industries." The "death-knell of BSC as a potentially profitable and efficient organisation" was, according to Dr Cottrell, sounded by the 1974 Beswick review under which a number of plant closures were deferred.
While acknowledging that some enlightened moves have taken place recently, the report attacks the lack of speed and willingness with which both BSC and its unions were in the past prepared to attack productivity and industrial relations problems.

Pit closures at highest level for six years

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE NATIONAL Coal Board shut 10 pits last year and partly closed two more, the highest number for six years, despite the major confrontation with the miners over colliery shut-downs last February.
The board says 4,300 men have been affected by the 10 complete closures—2,500 transferred to other pits, 1,100 still doing salvage work at the closed pits and 700 made redundant.
In February, the board announced plans to close 23 pits because of financial difficulties. Amid wildcat strikes in several coalfields, the Government agreed to give the industry £300m in extra grants, and the closure list was withdrawn.
Since then, the board has gone back to its normal procedure of negotiating individual colliery closures with union officials at a local level.
The raw closure figures suggest that the board has gone

nearly halfway to achieving its February closure plan, but this is misleading.
Of the 10 pits closed completely, one had already shut before February and prior agreement had been reached between union and management on the shutdown of three of the 23 pits which appeared on the February list.
Thus the board has negotiated only six new pit closures since February, compared to the 20 it originally hoped to achieve.
Most of those pits were relatively small. The board is still producing some 4m tonnes of coal a year more than it can sell—which is likely to pose fresh financial problems in 1982 and renewed pressure for an accelerated closure programme.
Seven of the 10 pits closed were on the February list. These were Blackhall and Honghton in the North-east, Lofthouse, Manor and Orgreave in York-

Tractor Company enlists Job Creation aid

By Maurice Samuelson

INTERNATIONAL HARVESTER'S British subsidiary, which has had heavy redundancies at its Doncaster tractor works, has asked Job Creation (JCL), the private employment consultancy, to create 400 jobs in the Doncaster area in the next two years.
JCL, founded 18 months ago by Mr Paddy Naylor, former chief executive of BSC (Industry), British Steel's job creating arm, charges £250 for every job which it creates through the stimulation of new business.
International Harvester is the latest in a growing list of companies and public bodies in Britain and West Europe which have enlisted its help in combating the effects of redundancies by encouraging new enterprises.
Mr Naylor forecast yesterday that within about two years at least half the top British companies would be sponsoring job creation programmes. One reason, in his view, was that there would be a secondary wave of redundancies as companies emerged from the recession and invested in more efficient plant and processes.
Fort William, Scotland and Southwark, London are among the areas where JCL has been contracted to create jobs.
Unlike BSC (Industry), which acts as the "social conscience" of British Steel in areas affected by its widespread closures, JCL's aim is to be profitable.
Its other sources of income are from conducting feasibility studies on job opportunities in various areas, and from giving advice to would-be applicants for funds from the British Government and the EEC.
It is now putting the final touches to a report, commissioned by the Department of Industry and jointly funded by Shell (UK), on common services needed by groups of small new high technology businesses.
JCL has increased the number of jobs under its own roof. It has 40 personnel, including directors and staff in Old Bopid Street, London.

BSC strategy review could threaten plants, say unions

BY CHRISTIAN TYLER, LABOUR EDITOR

A BRITISH Steel Corporation warning that it will have to review its whole strategy was greeted with alarm and suspicion by the biggest steelworkers' union yesterday.
Mr Bill Sims, general secretary of the Iron and Steel Trades Confederation, said BSC's review of "capacity configuration" could only mean a threat to plants.
He said: "If they attempt to close another of the major plants I would ask my union to take action. I would ask the miners to take action and I would ask the railwaymen to take action. I don't anticipate it, but that is what would happen."
He complained that Mr Ian MacGregor, BSC chairman, had "leaked" a threatening statement to the Press. He said it might be designed to frighten the steelworkers into disobeying the union's call for a ban on overtime, due to start on February 7.
Mr MacGregor has invited the TUC steel committee to meet him on Monday when he will elaborate on his warning about the double impact of the recent severe weather and the anti-dumping law suits by U.S. steel companies against European producers.
Mr Sims said it was a "very, very strange state of affairs" to base an entire review of steel capacity on something that had only happened this week-end (the bad weather) and something that had not yet happened (verdicts in the U.S. anti-dumping law suits).
The TUC steel committee, of which Mr Sims is chairman, will be anxious to establish whether Mr MacGregor sees any danger particularly to the strip mills—Scotland is said to be biased towards the U.S. market.

Alan Pike writes: BSC executives will warn union leaders at Monday's meeting that the corporation is likely to have to reduce production in some areas because of the effects of the U.S. anti-dumping suits. But BSC is not yet in a position to quantify what this might mean in terms of jobs.
Mr Ian MacGregor said yesterday that he was not trying to prepare the workforce for bad news. "We are informing them that we have to look at totally revised circumstances."
The corporation's biggest concern—even more than the danger of losing its own American business—is the fear that continental competitors will find the U.S. market closed to them will try to divert surplus steel to Britain. About 6m tonnes of EEC steel was scheduled for the U.S. market this year.

Pre-tax profits jump 72% at TSB's wholesale banking arm

BY WILLIAM HALL, BANKING CORRESPONDENT

THE CENTRAL Trustee Savings Bank (CTSB), the wholesale banking arm of the TSB group, increased its pre-tax profits by 72 per cent to £12.4m in the year ending November 20 1981.
The profits were boosted by the inclusion of a full year's earnings on the increased capital and the disposal of the Gracechurch Street premises.
Mr Andrew Russell, the chairman of the CTSB, says the results are "very satisfactory when viewed against the recent volatility of the short-term money markets in which CTSB mainly operates."
Mr Russell said the CTSB, which provides banking, clearing and investment facilities for the 16 regional TSBs, maintained a "cautious stance" throughout the year and succeeded in holding the underlying level of profits from its money market operations close to last year's levels while generating additional income from service activities.
One of the CTSB's main roles

CENTRAL TRUSTEE SAVINGS BANK		
	Pre-tax profits	Assets
1978	£m	£m
1979	3.2	468.9
1980	3.4	874.7
1981	7.2	1,027.7
1981	12.4	1,145.3
Year end Nov. 20.		

The group is now managing more than £250m of investment funds and is seeking eligible status at the Bank of England for its growing acceptance credit business.
It recently took a seat on the new London International Financial Futures Exchange and expects to start transmitting international payments through its membership of the Society for Worldwide Interbank Financial Telecommunications (SWIFT) in March.
The CTSB made after-tax profit of £6m in 1981 and paid a dividend of £3m. Group assets rose 11.1 per cent to £1.14bn and net worth rose £3.8m to £492m. The bank's current cost operating profits rose 130 per cent to £7.1m.
The TSB group, which has assets of more than £6bn and 1,650 branches, is co-ordinated by the Central Trustee Savings Bank Central Board. The board owns 32.1 per cent of CTSB through a holding company, and the balance of the shares is held by the 16 regional TSBs.

Nurses plan inflation-link claim

BY BRIAN GROOM, LABOUR STAFF

NEGOTIATORS for Britain's 500,000 nurses decided yesterday to recommend a claim for rises at least in line with inflation—12 per cent in November—and an improvement in annual leave.
Mr David Williams, assistant general secretary of the Confederation of Health Service Employees and chief negotiator for the nurses, said the claim was in line with the TUC unions' desire to see a "common core" pay claim in the public services.
The nursing unions have made clear that they will not be satisfied with a 4 per cent settlement in line with the Government's cash limit provisions, but they fear a difficult time in this year's negotiations.
The full staff side of the Nurses and Midwives National Whitley Council, whose meeting yesterday was cancelled because of the weather, will discuss the claim on January 26. It will be lodged with the employers the same day, if agreed. The settlement date is April 1.
The claim is likely to include a number of long-standing

items, such as a 35-hour working week.
Negotiators decided yesterday to write to Mr Norman Fowler, the Health and Social Services Secretary, asking him for an early look at his proposals for a new comparability-based formula.
Mr Fowler has undertaken to enter tripartite talks with the staff and management sides of the Whitley Council. But the unions are disappointed that the Government is not to introduce a scheme in time for the 1982 pay settlement.

Boilermakers' post poll 'led to 36 complaints'

FINANCIAL TIMES REPORTER

TWO RIVAL candidates for the key post of general secretary of the 125,000-strong boilermakers' union made 36 complaints of procedural irregularities by voting branches, a High Court judge was told yesterday.
Mr Justice Dillon was bearing evidence in a legal battle over the June, 1980, election to which Mr James Murray was declared elected.
His rival, Mr Alfred Williams, of Woolton, Liverpool, wants the judge to declare him elected instead, or to declare the election null and void.
Mr Williams alleges that the union disallowed votes which ought to have been counted, and wrongly allowed others.
His claims are contested by Mr Murray, of Newcastle-upon-Tyne, and the union—the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers.
Counsel for Mr Williams—a full-time union district official—said Mr Murray made 20 protests arising from voting at branches, of which 14 were upheld.
Mr Williams made 16 protests about alleged rules breaches. Four were upheld by the union's executive.
On Monday the counsel said the executive council had disallowed votes from branches following complaints by Mr Murray without first giving them or Mr Williams the chance to make representations.
Yesterday, he said that Mr Murray, as then chairman of the executive, would have been aware not merely of his own complaints, but of those of Mr Williams. But Mr Williams was unaware of the detail of Mr Murray's complaints until the executive had dealt with them.
Mr Murray contends it is now too late for Mr Williams to complain about some branches failing to return ballot papers with their voting returns. But, Mr Williams says, the executive could not have properly scrutinised the voting.
The union argued that complaints had been handled in good faith and without bias. The executive had acted impartially towards the two candidates.
The hearing continues today.

Tuffin set to follow Jackson

By Nick Garnett, Northern Correspondent

THE FIRST round of branch voting for the new general secretary of the Union of Communication Workers to replace Mr Tom Jackson has proved inconclusive but has left Mr Alan Tuffin, the deputy general secretary, in an apparently strong position.
The second ballot, which will finish on February 11, will be between Mr Tuffin and Mr Tony Clarke, an assistant general secretary and editor of the UCW's journal.
Results of the first ballot, which will be formally announced today gave Mr Tuffin 77,000 votes and Mr Clarke 40,000 out of the 160,000 votes cast. This left Mr Tuffin short of an overall majority needed to give him the general secretaryship when Mr Jackson retires at the end of July.
Mr Fred Binks, the union's general treasurer, and Mr Ivan Rowley, the national organiser, were eliminated.
The first ballot indicates that there are more than 50,000 "spare" votes to share out between the two candidates in the second ballot but that Mr Tuffin might need only a quarter of these to secure victory.
Some 660 branches out of the 1,000 eligible to vote did so. The ones that did not take a vote—some might have had problems with the weather—are thought to total only about 20,000 votes.

RESIDENTIAL PROPERTY

FOR SALE
30 miles from Zurich (25 miles from airport) in unique situation and beautiful landscape directly at the river Rhine
MAGNIFICENT MANSION.
This residential estate serves at present as
EXCLUSIVE HOTEL
with very well known restaurant de tout premier rang.
Also transformed for private use, it would make an unmatched property—in both cases a genuine asset, with secure value increase.
For information please write to
Cipher W-12, AVAP agency,
CH-8201 Schaffhausen-Switzerland.

Bookstore for Japanese community

BY MAURICE SAMUELSON

BOOKS NIPPON, which claims to be Europe's biggest Japanese bookshop, opens this week near St Paul's Cathedral to serve the cultural needs of Japanese businessmen and their families.
Its shelves will eventually stock about 60,000 Japanese titles covering a wide range of subjects, as well as English language books and magazines about Japan.
There will be a separate music department in the basement stocking records and cassettes. Stationery, games and gifts will also be on sale.
The shop, at 64-66 St Paul's Churchyard, has been taken on a 20-year lease by one of Japan's leading book wholesale distribution chains, Nippon Shuppan Hanbai, which has no retail outlets of its own in Japan.
Mr Osamu Suehiro, the shop's 33-year-old director, said the site had been chosen to catch both the tourist trade and members of the Japanese banking and business community in the City.
A few yards away are two other large Japanese businesses—the Windsor Gift Shop and a branch of Miki Travel Agency.

Advertising claims worry watchdog

BY MICHAEL THOMPSON-NOEL

A "DISTURBING number" of unsubstantiated advertising claims are spotlighted in the current monthly case report of the Advertising Standards Authority.
A brewer claimed that its bitter was "measurably stronger than most"—a claim it admitted could not be proved—while a racing tipster boasted that his betting system was the best there was.
Of 168 complaints investigated by the authority in November, 65 were upheld, either wholly or in part.
Of these, 15 related to unsubstantiated claims, and a further 18 to misleading claims.
Another nine of the complaints upheld concerned advertised prices.
The authority said it referred all advertisers to Section II of the British Code of Advertising Practice.
"All descriptions, claims and comparisons which relate to matters of objectively ascertainable fact should be capable of substantiation," says the code.
It says advertisers and their agencies should compile statements that substantiate all claims "before offering an advertisement for publication."

Port peace hopes fade

CARGO CHECKERS at the

crisis-hit Port of Southampton are expected to reject today a peace package designed to restore normal working by the weekend, writes our Labour Star.
Hopes of a settlement soon have risen because the differences between the two sides is now relatively narrow, but the offer to be put to the 150 men is thought to include no element of backdating—regarded as crucial by many checkers.
The offer is believed to be only marginally better than one unanimously rejected.
The prospect of a strike by 27,000 municipal bus workers has receded. The Transport and General Workers Union is hopeful employers will raise their 4 per cent offer at the next meeting—on January 25.

British Rail and the drivers fighting over the future

TRAIN travellers probably will not care about the reasons why there are no rail services today, but will just vent their spleen against the train drivers' union Aslef for calling this week's two-day strike and making it difficult getting to work.
Their anger—and their indifference to what the dispute is about—will not be helped by the union's announcement of a further two-day strike on January 20 and 21, and a strike very Sunday which will disrupt weekend traffic from Saturday well into Monday mornings.
But for British Rail and the Associated Society of Locomotive Engineers and Firemen the outcome of the dispute is perhaps even more serious than its immediate effects—angry though BR will be about losing the business and further damaging public confidence in the railways.
For both, the dispute is at least to some extent about survival. Both BR and its unions believe further electrification of the railway network is essential for the railways to remain competitive and attractive to its customers.
But the Government has made it clear that more money for electrification will not be forthcoming without increased productivity. So securing Aslef's approval of one, crucial improvement, more flexible working, is essential and worth suffering a national strike for.
Aslef, in yielding to BR's

Philip Bassett looks at the reasons behind the train drivers' strike and explains why the outcome is so vital to British Rail

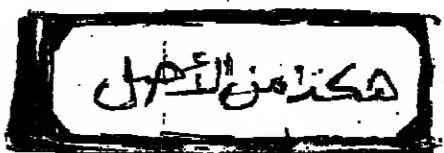
further 3 per cent of £93.85, which BR is now withholding, to take the driver's rate to £104.15.
The overall governing text of the two Acas agreements on pay and productivity says that as a result of the Acas discussions the joint BR-unions Railway Staffs National Council "has reached an understanding on pay." Stemming from Paragraph 180 of the original tribunal award, which hoped that "further and more substantial progress will prove to be possible" on productivity.
"A separate understanding has been reached on productivity."
For Aslef, the key word is "separate." The union argues that BR, by linking the two understandings and withholding the 3 per cent in one because of problems in the other, is breaking the agreement.
This clearly has some justification. BR certainly had wanted all year to link pay and productivity, but the tribunal said that its award had no power to do so. The Acas agreement clearly would not have been secured and the strike averted if any firmer link had been established.
But the spirit of the Acas agreement was that the two were interlinked, and this is to some extent borne out by other

parts of the text. The pay understanding ends by stating that BR and the unions accept the tribunal's Paragraph 180 comments regarding the continuation of negotiations on productivity issues, and commit themselves to continuing the progress that has already been made in the crucial productivity areas—including flexible rostering—covered by the 1980 pay agreement.
Further, the confidential minute of the Acas discussions on the pay understanding says: "The trade unions had already given the (BR) board six firm commitments on productivity with dates by which negotiations must be completed... Therefore, the board had surely got what it was seeking on productivity." The unions said they would "endeavour to honour every aspect of the understandings reached on productivity."
The minute says the board representatives "indicated they had decided to accept the counter-proposal which had been tabled on the understanding that the commitments on productivity would be honoured."
So the Acas agreement, reached as it was to avoid an indefinite national strike, is probably inconclusive in trying to prove a commitment to pay or productivity.
For the union, pay is the central point at issue. For BR, the probably thornier question of flexible rostering is much more crucial.
Variable rostering was one of six items laid down in the Acas understanding on productivity. Progress has been made on four of the others, although the question of single train driver manning has not yet even been approached because of the breakdown of talks on rostering.
The confidential minute of the productivity discussions states that the rostering issue had to be "approached on the basis of getting away from the rigidity of the eight-hour day."
The note of the Aslef response to this says only, somewhat cryptically, that the union's officials "noted the point and explained that they would develop the points they had in mind in negotiations."
For BR, flexible rostering—it wanted first a six to 10 hour day, but has now reduced that demand to a seven to nine hour day—is essential if drivers' time is to be used more efficiently.
The drivers say many of the likely rosters would have a "devastating effect on their social lives" and conditions, BR says the working weeks as a result of flexible rostering would range between 35 and 45 hours, and that without any extra cost to BR, the drivers would enjoy "at least" one

55 PARK LANE, W1
We have FURNISHED FLATS for immediate occupation close to all amenities in a well-run purpose-built block with service available.
1 Bedroom Flats from £115 pw
2 Bedroom Flats from £175 pw
3 Bedroom Flats from £225 pw including CH & CHW & PORTERAGE
SERVICED FLATS from £45 per day plus VAT, minimum 22 nights
Furnished Flats from £80 per week available now in Central London
Hampton & Sons
8 Arlington Street, London, SW1
Tel: 01-493 8222 - Telex: 23341

FOREIGNERS can buy apartments on LAKE GENEVA, in Montreux near Lausanne, or all year round resorts: St-Cergue near Geneva, Villars, Les Diablerets and Verbier.
FINANCING UP TO 50-70% AT LOW INTEREST RATES.
Also quality apartments in France: EVIAN on Lake Geneva, and MEGEVE, summer and winter paradises, both approximately 15 minutes from Geneva with NO RESTRICTIONS.
Advise area preferred.
Write to:
Developer c/o Globe Plan SA
Min-Repos 24
1005 Lausanne, Switzerland
Tel: (021) 22 26 12
Telex: 25 185 melis ch

Invest in CALIFORNIA
A unique opportunity for you to benefit in one of the world's boom economies.
We have an interesting and valuable selection of residential properties in the heart of San Francisco and the beautiful Bay Area and its surroundings.
For details of property investments please return the coupon to:
ACIF ARKAD COMPAGNIE D'INVESTISSEMENT ET FINANCIEMENT S.A.
15, Rue du Candrier, 1201 Geneva—Tel: 022/31 20 00
Name Surname
Address
Town



For over a hundred years, Ericsson has been a major creative force in world telecommunications.

Much of our early history was a series of significant telecommunications firsts — in switching, in computer control, in digital techniques, in cable technology, in defence electronics.

As we grew up, we combined our skills, and became the confident managers of large-scale telecommunications projects. We became experts at the installation of turnkey telecommunications systems. We put in complete networks larger than any other company has ever installed outside its own home market.

Through this experience, we have developed a unique systematic approach, which straddles a broad range of managerial, technological and logistic disciplines — an approach which means that we complete the very largest project successfully, and on time.

We are a group with resources.
We have made outstanding progress.

ERICSSON

It is natural and beneficial for us to reflect these important achievements in a new group symbol. From January 1st, 1982, we will be known as Ericsson throughout the world. Our symbol is the word Ericsson, followed by a stylized E.

The name of the parent company, Telefonaktiebolaget L.M. Ericsson, remains unchanged however, as well as the names of a number of subsidiaries.

FOR THE TELECOM ADMINISTRATIONS

In public telecommunications systems, Ericsson's AXE digital system has had a success unparalleled in the history of telephony. AXE is unique — the only state-of-the-art switching machine with an extensive in-service record. Its success is largely software-based: AXE software principles have been adopted as industry standard.

In the few years since it was launched, AXE-based telephone networks have been introduced in 33 countries. The AXE-based digital networks are designed to evolve into ISDN, the integrated services digital network. ISDN carrying both voice and data is unquestionably the future of world telecommunications.

FOR THE DEFENCE AUTHORITIES

In defence, the story is the same. In this high-technology field Ericsson has a reputation for brilliant individual achievements in communications, radar, infra-red and laser equipment. Now we can offer increased capability in undertaking complete systems. We have developed our own systematic approach to such projects as the planning, supply and installation of strategic and tactical networks and air traffic control systems.

FOR THE BUSINESS AND ADMINISTRATIVE WORLD

For business and administration, we are putting our proven capability in high-technology public telecommunications networks to use in business systems and office automation.

Already among the world's largest users and manufacturers of computers, we have acquired Datasaab, with its own expertise in business systems and terminals. We have combined this expertise with the skills of two Ericsson divisions already working on advanced private exchanges and information systems, and formed a new company — Ericsson Information Systems AB.

The formation of a US company, Anaconda-Ericsson Inc. is a significant step for the Group's development. Anaconda-Ericsson's major activity today is in cable manufacturing in the US and Latin America and the Anaconda-Ericsson Telecommunications Division is rapidly developing as a base for US marketing of Ericsson Information Systems products.

FOCUS ON SERVICE

Many important contracts today require network construction capability — not only for public telephone administrations, but also for business, industry, utilities and defence. In railway communications and signalling, communications and telemetry for pipelines too, Ericsson will undertake project management, installation and service for the most extended systems and networks.

Digital telecom systems and information systems are computer-based. Computers are hungry for specialist software. Ericsson has set up software houses offering consultancy, systems engineering, and project management — vital in a time of programmer scarcity.

FOCUS ON TECHNOLOGY

Underlying all networks, all equipment, is research and development. In the last two years alone, we have invested in excess of US\$350 million in research and development to maintain our lead in technology. Optical fibre technology and the custom design of VLSI circuits are just two examples of Ericsson's research commitment.

DEVELOPMENT MEANS TRANSFORMATION

Development has transformed Ericsson. It is the same company, still a telecommunications leader. But it has developed, as telecommunications has developed; it is maturing, as the industry it belongs to is maturing.

As with any living thing, growing up means a change of style. Our own new style reflects the development of international operations on a new scale. We are proud of both.



**WE'VE GOT A NAME
FOR BETTER WAYS TO COMMUNICATE.**

Telecommunications
and information technology.

ERICSSON

TECHNOLOGY

EDITED BY ALAN CANE

The Space Telescope is due for launch in 1985 MAX COMMANDER reports

Reflections of the Universe

SOME TIME in 1985, if all goes well, Earth-bound astronomers sitting at the bottom of an atmospheric soup which clouds their view of the solar system, the Galaxy and the Universe will have a new tool—the Space Telescope.

The coatings were carried out in a specially designed steel vacuum chamber—the biggest of its kind in the world. The vacuum achieved contained one ten thousandth as much air as an impurity as vacuum chambers used for Earth-based telescope mirrors.

Mr Kurdock says that ground-based telescopes do not require the same high reflectivities in the vacuum ultra-violet region because this radiation is blocked out by the Earth's atmosphere. Many of the Space Telescope's experiments need high reflectivities in the ultra violet spectrum.

The Space Telescope will enable astronomers to penetrate light sources up to 14bn light years away, considerably more than Earth based mirrors, such as the 200 inch Palomar telescope.

Reflectivities

John Kurdock, Assistant Director for Perkins-Elmer Optical Technology Division, said: "A human hair is 1,000 times thicker than the combined coatings."

The mirror is the main component of the 12400 optical component of the unmanned telescope which will enable astronomers to peer into space and study galaxies perhaps 50 times fainter than the dimmest celestial objects. This is about seven times further than so far penetrated by the biggest ground based optical telescopes.

Specifications

The Perkin-Elmer Corporation of Norwalk, Connecticut, charged with building NASA's space telescope, claims that after 40 days of tests the exacting specifications for the coatings have been met.

Pristine

The NASA/Perkin-Elmer Optical Evaporator System developed for coating the mirror used nine microprocessors, eight of which controlled an equal number of deposition units which applied the mirror surface coatings.

"By conducting these tests on the 'witness pieces' we preserved the pristine nature of the coated mirror," said Mr Kurdock.

Next step will be the installation of the mirror aligning it to the secondary mirror, focal plane, the other instruments and the guidance sensors.

The Space Telescope is a folded system with secondary mirror in front of the primary mirror. The main mirror assembly consists of a front plate one inch thick with a honeycomb interior separating it from a back plate of the same thickness.

The primary mirror blank of ultra-low expansion glass with low thermal expansion went into production at the Corning Glass Works in 1977 and was delivered to the Perkin-Elmer Corporation a year later.

The shipping and polishing of the surface requiring a deviation of less than one millionth of an inch was completed last June. It took 11 months employing a computer controlled polisher.

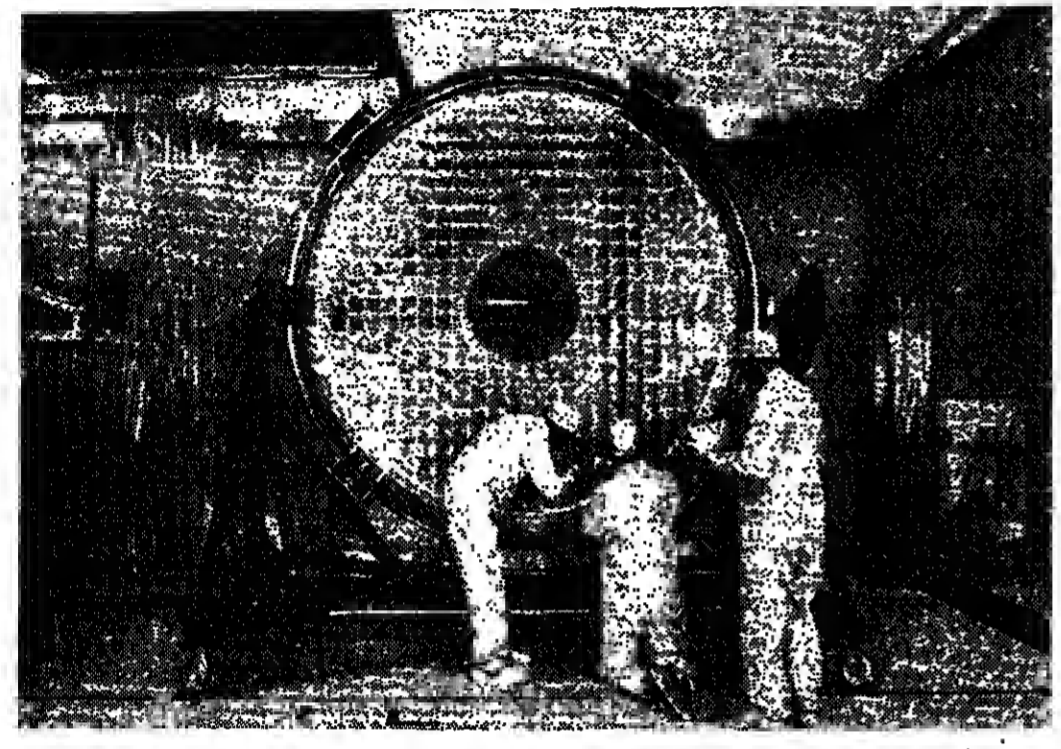
Preparation for the final coating took only four minutes but needed six months to set up by technicians.

In the early months of 1985 the Shuttle will place the Space Telescope in a circular orbit 370 miles up.

So, what's new? Well, for the first time in man's history, we shall be able to look at the Milky Way, galaxies, perhaps 14 thousand million light years away, without the smog and light diffraction of our atmosphere. Herschel and Patrick Moore will be tickled pink.



THE primary mirror is lifted from the vacuum chamber in which the coating operation was performed. Technicians wear masks and special suits to avoid contamination of the mirror's surface.



OPTICAL engineers complete the cleaning of the face of the primary mirror. At this stage the glass surface is still transparent and exposes the cellular construction of the mirror blank.

Terminals launch by ICL

TWO NEW point of sale (POS) terminals with prices starting at £1,200, the 9595 and 9507, are the first products to be launched by ICL for 1982.

Aimed at department stores, speciality multiples and chain stores, the terminals will function with existing 9500 series products from the company, including an extensive library of software called RETAIL.

The 9505 has a two station printer for providing original copy on audit roll and customer receipts, as well as single line endorsement of side-inserted cheques or other documents.

On the buffered keyboard, 26 function keys surround a numeric keypad and 14 of them may be programmed as department or cashier keys, or to offer pre-set price look up.

Prompting

There are two displays, one numeric and the other providing plain English messages for prompting or guiding the operator.

Various control totals for type of sale, department sales and cashier accountability can be accumulated and stored in a battery supported memory. The Model 9507 has in addition a 40 column printer. More on 01-785 7272.

Basic move for Dataport

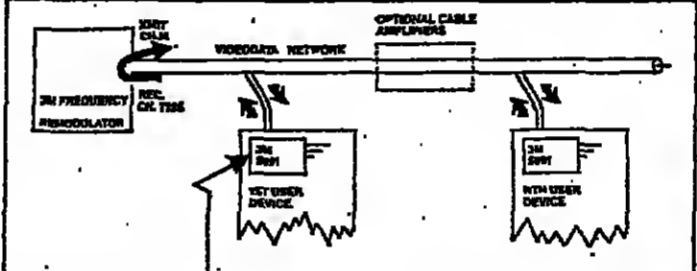
UP TO NOW, users of the Dataport 5 hand-held data terminal have had to develop their systems in conjunction with the makers, Data Recognition of Reading.

Now they will be able to programme the device in Basic and try out their applications without any reliance on the manufacturer, minimising development costs. But Data Recognition will continue to offer a complete service for those who want it.

To facilitate in-house development, DR is offering a range of evaluation kits starting at less than £1,000. The basic kit consists of the Dataport 5 unit with 32,000 characters of memory, a cradle/adaptor containing an audio cassette recorder interface and battery trickle charger, audio cassette containing the Basic interpreter and general purpose programmes, and clip-on keyboards for the terminals.

3M shows the way on base to broadband

BY ALAN CANE



OFFICE technology is changing so rapidly that systems which have yet to establish themselves are already being replaced by more sophisticated versions.

So it is with local area networks. (LANs) the techniques devised by computer manufacturers and telecommunications companies to link together all the pieces of computer-based equipment in the office cheaply and effectively.

The earliest LAN technology known as baseband is already under attack from the potentially more powerful broadband systems.

Which is bad news for that bandful of companies which saw themselves in the role of pioneers and installed baseband equipment.

Now, 3M has introduced a device which makes it possible to convert old fashioned baseband systems to the new fangled broadband variety.

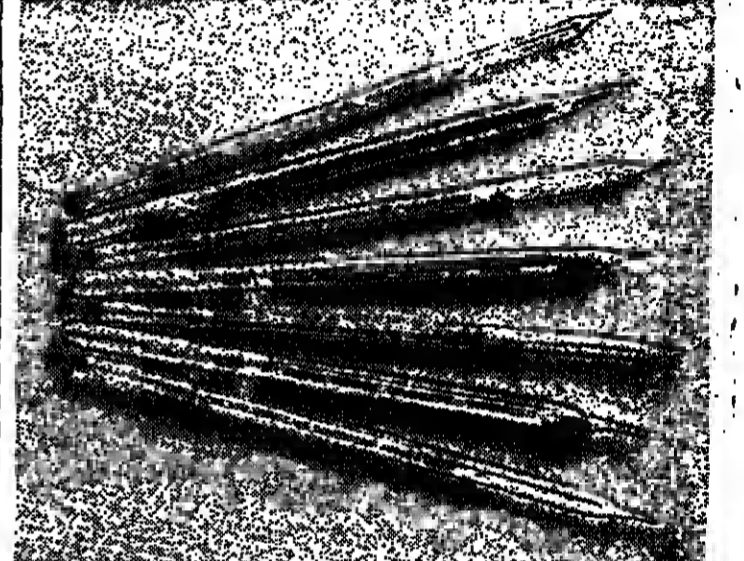
And if there is a touch of irony in that sentence, it simply reflects the growing chaos in the office system marketplace with no standards and a welter of competing offerings.

LANs are used simply to provide cheap, fast and reliable transfer of information between office computers, printers, facsimile machines and so on.

Many are based on co-axial or community access television (CATV) cabling along which data can be squirted at rates of 10m bits a second or more under the control of fancy software.

The earliest LAN, Ethernet, for example, uses software to determine the right moment to post a message along the cable, and to recover if two messages should collide. It is the classic baseband system—one frequency only is used and messages are transmitted simply as a series of electronic pulses.

Broadband systems make



Testing for toxic vapour

CHECKS ON exposure of people to toxic vapours from inorganic compounds are simple, it is claimed, with this new range of 'vapour-gate' detectors from MSA (Biffaward). The tubes work by diffusion and, therefore, do not require pumps. The user breaks off one end of the tube, inserts the tube into the holder and attaches the assembly to his jacket, lapel. The tube can be used to sample the atmosphere for carbon monoxide, hydrogen sulphide, sulphur dioxide, ammonia and nitrogen dioxide for up to eight hours. More from MSA, East Shallowhead, Coatbridge, Scotland (0236 24966).

This announcement appears as a matter of record only

OKG Aktiebolag
LUF 250,000,000
Fixed Rate Loan 1981/86

Managed by
Skandinaviska Enskilda Banken (Luxembourg) S.A.

Provided by
Skandinaviska Enskilda Banken (Luxembourg) S.A.
PKBanken International (Luxembourg) S.A.
WestLB International S.A. Luxembourg
Banque Internationale à Luxembourg S.A.
Banque Norddeutsche S.A.
Copenhagener Handelsbank International S.A.
Crédit Lyonnais Luxembourg Branch
Göteborgs Bank (Luxembourg) S.A.
Kreditbank S.A. Luxembourg-Bois
Sociétés Générale Alsacienne de Banque SA Luxembourg Branch
Svenska Handelsbanken S.A.

Agent
Skandinaviska Enskilda Banken (Luxembourg) S.A.

December 1981

BASE LENDING RATES

A.B.N. Bank	14 1/2%	Gridlows Bank	14 1/2%
Allied Irish Bank	14 1/2%	Guinness Mahoo	14 1/2%
American Express BK	14 1/2%	Hambros Bank	14 1/2%
Amro Bank	14 1/2%	Heritable & Gen. Trust	14 1/2%
Henry Ansbacher	14 1/2%	Hill Samuel	14 1/2%
Arbutnot Latham	14 1/2%	C. Hoare & Co.	14 1/2%
Associates Cap. Corp.	15%	Hoogkooog & Shanghai	14 1/2%
Banco de Bilbao	14 1/2%	Knowsley & Co. Ltd.	15%
BCCI	14 1/2%	Lloyds Bank	14 1/2%
Bank Hapoalim BM	14 1/2%	Mallinhal Limited	14 1/2%
Bank Leumi (UK) plc	14 1/2%	Edward Manson & Co.	15 1/2%
Bank of Cyprus	14 1/2%	Middle East Bank	14 1/2%
Bank Street Sec. Ltd.	16%	Samuel Montagu	14 1/2%
Bank of N.S.W.	14 1/2%	Morgan Grenfell	14 1/2%
Banque Belge Ltd.	14 1/2%	National Westminster	14 1/2%
Banque du Rhone et de la Tamise S.A.	15%	Norwich General Trust	14 1/2%
Barclays Bank	14 1/2%	P. S. Refson & Co.	14 1/2%
Benevolent Trust Ltd.	15 1/2%	Roxburgh Guarantee	15%
Bremar Holdings Ltd.	14 1/2%	E. S. Schwab	14 1/2%
Bristol & West Invest	16%	Slavenburg's Bank	14 1/2%
Brit. Bank of Mid. East	14 1/2%	Standard Chartered	14 1/2%
Brown Shipley	15%	Trade Dev. Bank	14 1/2%
Canada Perm't Trust	15%	Trustee Savings Bank	14 1/2%
Cavendish City Trst Ltd.	15 1/2%	United Bank of Kuwait	14 1/2%
Cayzer Ltd.	15%	Whiteaway Leidlaw	15%
Cedar Holdings	15%	Williams & Glyn's	14 1/2%
Charterhouse Japan	15%	Wintrust Secs. Ltd.	14 1/2%
Cheltenham	15%	Yorkshire Bank	14 1/2%
Citibank Savings	14 1/2%		
Clydesdale Bank	14 1/2%		
C. E. Coates	15%		
Consolidated Credits	14 1/2%		
Co-operative Bank	14 1/2%		
Cornthian Secs.	14 1/2%		
The Cyprus Popular BK	14 1/2%		
Duncan Lawrie	14 1/2%		
Eagle Trust	14 1/2%		
E.T. Trust	14 1/2%		
First Nat. Fin. Corp.	17%		
First Nat. Secs. Ltd.	17%		
Robert Fraser	15%		

Members of the Accepting Houses Committee:
 7-day deposits 12.50%, 1-month 12.75%, Short term 18,000/12 months 15.10%.
 7-day deposits on sums of £10,000 and under 12%, up to £50,000 13% and over £50,000 12%.
 Call deposits £1,000 and over 12%.
 5 demand deposits 12%.
 21-day deposits over £1,000 13%.
 Mortgage base rate.

Shamban seals and bearings spell success in all applications

For more information contact: Shamban Europa (UK) Ltd., Ewart House, 5 St. James Terrace, Nottingham, NG1 6FW Tel: (0602) 411866

This announcement appears as a matter of record only

IMO STATE OF NIGERIA

Medium Term Project Related Loans

SFr. 54'600'000
SFr. 43'300'000

managed and provided by
Ultrafin AG
Banca del Gottardo
Bank of America NT & SA
Bankinvest
Sumitomo International Finance AG

co-managed and provided by
Fuj Bank (Schweiz) AG
Nordfinanz-Bank Zurich
CIBC Finanz AG

Agent
Ultrafin AG

insured by
SACE
Sezione Speciale per l'Assicurazione del Credito all'Esportazione

supported by
MEDIOCREDITO CENTRALE
Istituto Centrale per il Credito a Medio Termine

June 1981

ENERGY REVIEW

An impoverished Marxist state where hopes of oil run high

By Michael Holman, recently in Maputo

IN A modest office in Maputo's Avenida Zedequias Manganhela, Dr Mario Marques is gathering seismic data from offshore Mozambique which could make the impoverished Marxist state the world's latest oil producer.

Last year the state-owned Secretariat for Coal and Hydrocarbons (SECH) commissioned two seismic surveys covering the coastal shelf out to 2,000 metres depth. Western Geophysical of the U.S. is assessing the section between the South African border to Sofala, and the Geophysical Company of Norway (GECO) is working between Sofala and the Tanzania border.

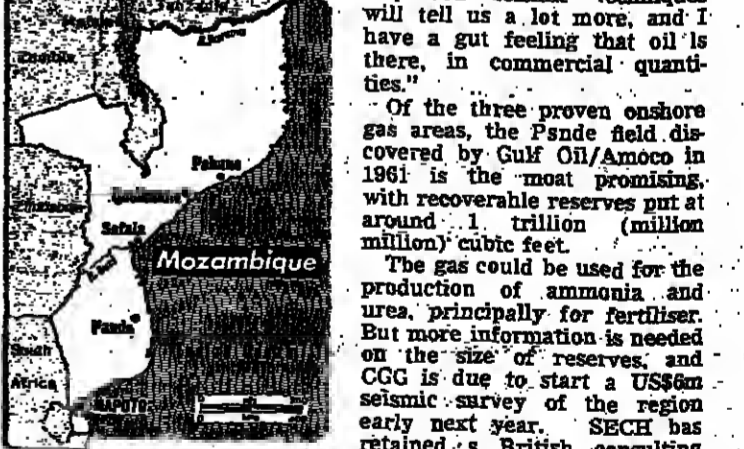
Early this year the first of the processed data will be available to oil companies and the intention is to divide the offshore area into blocks which will be put up for auction in the second half of the year.

"We have spoken with more than 30 oil companies in Europe, North America, and Britain," says Dr Marques, director of SECH, and Agip, Exxon, Amoco, Chevron, and Marathon are among the companies that have expressed interest.

A confidential report on the development of Mozambique's petroleum resources prepared last year is cautiously encouraging prospects for commercial exploitation. An offshore area between Mambone and Quelimao in particular "constitutes an attractive exploration area," says the report, a view confirmed by some of the latest seismic data.

Two aeromagnetic surveys are adding to information about hydrocarbon potential. Shell Exploration of the Netherlands is compiling a survey of western Mozambique. Work was suspended after Mozambique forces mistakenly shot down a survey aeroplane last July in what is a militarily sensitive area because of the presence of anti-government forces. But government officials say that work should continue this March.

Dr Marques is particularly



enthusiastic about results from the aeromagnetic survey, conducted by the Compagnie Generale de Geophysique (CGG) of France, which covers the Rovuma basin in the north of the country. "The results are very, very good," he says, and show a vsp of a large sedimentary basin running off Pehany into coastal waters.

Although the country's history of oil and gas exploration goes back to 1905, most of the work was conducted in the 1960s and early 1970s by four main groups: Gulf, Pan American and Amoco, Sunray, Aquitaine, and the Hunt International Petroleum Company. The political upheavals of the mid-1970s brought exploration to a halt, but not before three gas fields — at Pandé, Temane and Buzi — were discovered, and traces of oil confirmed.

Research was, in effect, suspended until the formation of SECH in 1980 and the start of the current seismic programme supported by the Norwegian aid agency, Norad.

"The fact is that we know there are gas reserves on shore, and there are encouraging traces of offshore gas and oil," says one consultant working on the programme. "But the quality of past data is generally poor."

Improved seismic techniques will tell us a lot more, and I have a gut feeling that oil is there, in commercial quantities.

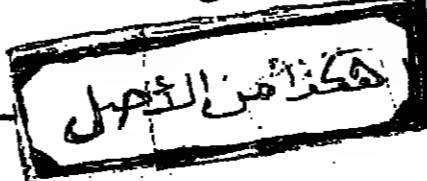
Of the three proven onshore gas areas, the Psnde field discovered by Gulf Oil/Amoco in 1981 is the most promising, with recoverable reserves put at around 1.1 trillion (million million) cubic feet.

The gas could be used for the production of ammonia and urea, principally for fertiliser. But more information is needed on the size of reserves, and CGG is due to start a US\$6m seismic survey of the region early next year. SECH has retained Energy Resources Consultants, Energy Resources Consultants, Scott Eckford and Associates.

In a country desperately short of foreign exchange and skills, foreign participation in the industry would be essential. Last month the Government published legislation setting out its conditions which western diplomats in Maputo regarded as both fair and encouraging. They provide for a choice of joint venture, service contracts, or production sharing—the latter would be preferred, says Dr Marques. No minimum state participation is set down—this would vary according to each contract, and in the case of a commercial find, "the foreign enterprise is entitled to recover exploration expenses" otherwise borne by the company. Licences to explore for and produce hydrocarbons will be granted only to the state-owned Empresa Nacional de Hidrocarbonetos de Mocambique.

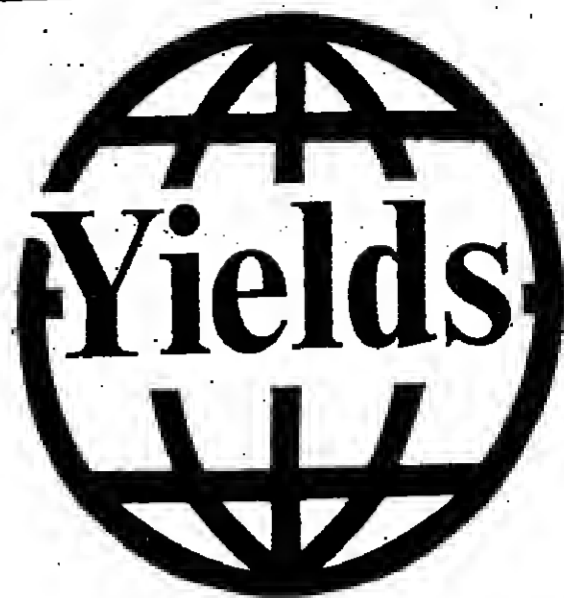
Should oil be found production would probably not begin before the mid-1980s, say Government officials. But in the meantime the prospect of oil, cautious though hopes may be, is having some impact.

"In these hard times," says one western businessman with interests in Mozambique, "as long as there is a chance of a find, it's one reason for staying on."



FINANCIAL TIMES

Eurobond Quotations and Yields



The Association of International Bond Dealers

at 31st December 1981

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues.

These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month.

There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres.

Membership of the AIBD (which was established in 1963) comprises over 550 institutions from about 39 countries.

Eurobonds in December

BY OUR EUROMARKETS STAFF

THE VOLUME of new issues of dollar Eurobonds fell back sharply in December from the exceptionally high levels seen during the November rally. Already at the start of the month it was clear that the rally was running out of steam and, with much of November's new paper still unsold, issue managers began to increase the coupons on some of their new bonds. Wood Gundy raised the coupon on its \$50m Imasco

issue to 15 1/2 per cent from 15 1/4. Similarly, a \$50m issue for Western Mining led by S. G. Warburg saw its coupon raised by 1/2 per cent to 15 1/4. A sharper increase, from 15 1/4 to 16 1/4 per cent, was posted by Dillon Read on the coupon for an issue for Texas Eastern, which also had to be cut by \$25m to \$75m. The secondary market also entered a period of pronounced weakness with prices slipping by two points during the first

week of the month and by a similar amount during the second week. This reflected a strong upturn in short term interest rates with the six month Eurodollar deposit rate rocketing from 13 1/2 per cent on December 1 to 14 1/2 per cent by the middle of the month. By the end of the month it was trading at around 15 per cent. The weak tone of the market could not altogether wipe out the gains recorded during the

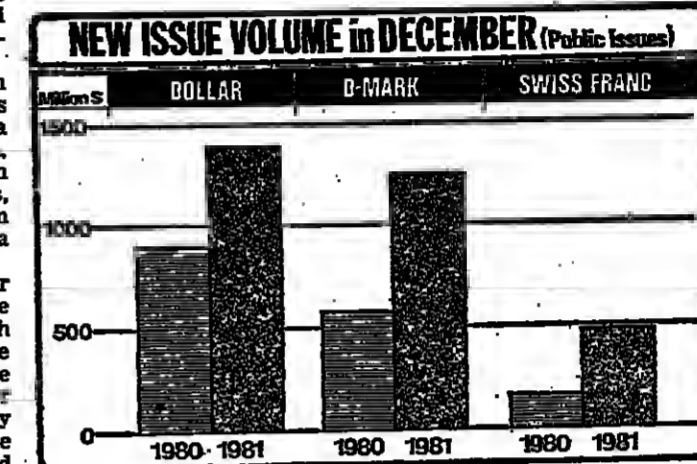
November rally which saw prices rise by eight points. What it did show was that the rally was over and the market settled down to talk of consolidation. The return of the Japanese convertible issue, started in a small way during November, was a notable feature of the Eurodollar, Euro D-Mark and Swiss franc bond markets during December. Mitsubishi Electric's \$80m offer through Daiwa Securities was quickly followed by a DM 100m issue for Konishiroku. DM 40m for Taiyo Yuden, \$15m for Sakai Heavy Industries, \$25m for Tokyu Stores, \$700m for JVC, SwFr 20m for Ibigawa and SwFr 20m for D'Urban. An unusually large number of issues also appeared in the Canadian dollar sector, which caused a slight glut in the market. Societe Generale were first with a Cdn\$ issue for GMAC. This was followed by a C\$50m offer for Societe d'habitation du Quebec, priced at par with a 15 1/2 per cent coupon.

arranged through Wood Gundy and 18 1/2 per cent for the City of Sainte Foy, led by the Banque Internationale a Luxembourg. Both issues were priced at par. The D-Mark foreign bond sector held up better than the

included National Westminster Bank with a DM 100m bond bearing a coupon of 9 1/2 per cent and Australia which floated a DM 300m issue through Deutsche Bank bearing a coupon of 9 1/2 and issue price of par.

In Switzerland, the market showed a positive underlying trend during the first half of the month with prices rising slightly on average. An interesting feature of the market was the return of French state em-... the first time since the summer. Electricite de France launched a SwFr 100m issue through Swiss Bank Corporation with a 7 per cent coupon priced at 99 1/2.

The imposition of martial law in Poland in mid-month created a stir on Continental markets with SwFr bond prices falling 1/2 per cent on the day and D-Mark bonds 1/4 per cent. Some of these losses were later recouped but both markets ended the third week of the month weaker on balance as investors continued to display signs of nervousness. By this time, however, markets in all major centres were beginning to close for the Christmas and New Year. All traders reported very thin business in the week before Christmas with no new issues being announced.



Eurodollar sector during the month. The market here was encouraged early in the month by a cut in West Germany's special Lombard rate to 10 1/2 per cent which helped prices to rise by almost one point during the first week. The robust tone of this market was shown by the pricing of the DM 200m bond for New Eurofima led by BEF Bank. In the light of this the 11 per cent coupon awarded by Deutsche Bank to the DM 100m issue for Mexico seemed unusually high, but as with other issues by developing countries in this market a high coupon was needed to ensure firm placement with investors. Other issuers in this market

CONTENTS

Table with columns: GROUP HEADINGS, PAGE, GROUP HEADINGS, PAGE, GROUP HEADINGS, PAGE. Lists various bond categories like US Dollars, Japanese Yen, etc.

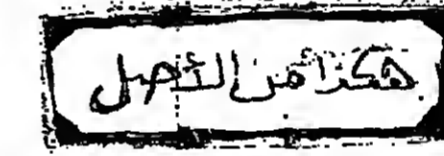
The table of quotations and yields gives the latest rates available on December 31, 1981. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking and the Association does not guarantee that the information it contains is accurate or complete. All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY DATASTREAM INTERNATIONAL LTD

Advertisement for Alcoa of Australia Limited, featuring a \$50,000,000 issue of 16% Notes Due 1989. Lists various financial institutions and agents.

Advertisement for Extel International Bonds Service, highlighting the increasing number and complexity of international bonds and offering a comprehensive service with individual issue sheets.

Main table of financial data with columns for various financial metrics and company names. Includes sub-sections like 'US DOLLARS-CANADA (CONTINUED)', 'US DOLLARS-GERMANY (CONTINUED)', etc.



Continuation of the main table of financial data, including sub-sections like 'US DOLLARS-ITALY (CONTINUED)', 'US DOLLARS-JAPAN (CONTINUED)', and 'US DOLLARS-UK (CONTINUED)'. The table contains extensive numerical data for various companies and financial instruments.

Handwritten scribbles and markings at the top right of the page.

Main table containing financial data for various companies, organized into columns with headers like 'ISRAELI-UNITED STATES (CONTINUED)', 'ISRAELI-GERMANY (CONTINUED)', etc. Includes columns for company name, share price, and other financial metrics.

Continuation of the financial data table from the previous section, covering a wide range of companies and their market performance.

Table with multiple columns: US DOLLAR-PLACING BILLS (CONTINUED), US DOLLAR-PLACING BONDS (CONTINUED), AUSTRALIAN DOLLAR (CONTINUED), CANADIAN DOLLAR (CONTINUED), SWISS FRANC (CONTINUED), EURO (CONTINUED), and various other financial instruments.

Table with multiple columns: EURO (CONTINUED), AUSTRALIAN DOLLAR (CONTINUED), CANADIAN DOLLAR (CONTINUED), SWISS FRANC (CONTINUED), EURO (CONTINUED), AUSTRALIAN DOLLAR (CONTINUED), CANADIAN DOLLAR (CONTINUED), SWISS FRANC (CONTINUED), EURO (CONTINUED), AUSTRALIAN DOLLAR (CONTINUED), CANADIAN DOLLAR (CONTINUED), SWISS FRANC (CONTINUED).

Handwritten scribbles and marks at the bottom right of the page.

Table with columns: Issue, Maturity, Price, Yield, etc. Includes entries for ADELA 7/82, ADELA 7/83, ADELA 7/84, etc.

Table with columns: Issue, Maturity, Price, Yield, etc. Includes entries for 10% EEC 81/83, 10% EEC 82/83, 10% EEC 83/83, etc.

Table with columns: Issue, Maturity, Price, Yield, etc. Includes entries for Light-Services 80/80, Light-Services 80/81, Light-Services 80/82, etc.

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 9.90%

Table listing SD Certificates with columns: Issue, Maturity, Price, Yield, etc. Includes entries for Banco N. Doms 7/78, Banco N. Doms 7/79, Banco N. Doms 7/80, etc.

WestLB Euro-Deutschmarkbond Quotations and yields

For current prices and further information call
Düsseldorfer Landesbank Telephone 8263122
Girozentrale Telephone 8263741
P.O. Box 1128 4000 Düsseldorf 1/FRG

WestLB Euro-Deutschmarkbond Quotations and yields

For current prices and further information call
Düsseldorfer Landesbank Telephone 638614
Girozentrale 887984
London Branch 41, Moorgate
London EC2R 6AE/UK

WestLB Euro-Deutschmarkbond Quotations and yields

Table listing Eurobonds with columns: Issue, Maturity, Price, Yield, etc. Includes entries for Hazama-Gumi 80/85, Halcin 88/83, Halcin 89/83, etc.

WestLB Euro-Deutschmarkbond Quotations and yields

Table listing Eurobonds with columns: Issue, Maturity, Price, Yield, etc. Includes entries for Light-Services 80/80, Light-Services 80/81, Light-Services 80/82, etc.

WestLB Euro-Deutschmarkbond Yield Index

Dec. 31, 1981: 10.33% (Nov. 30, 1981: 10.37%)

Table listing Yield Index with columns: Issue, Maturity, Price, Yield, etc. Includes entries for Ricoh Comp. 78/83, SAAB 71/80, Segel 77/81, etc.

Table of financial data with multiple columns including company names, dates, and numerical values. Includes sections for CONVERTIBLES-AUSTRIA, CONVERTIBLES-CANADA, CONVERTIBLES-GERMANY, etc.

WestLB Euro-Deutschmarkbond Quotations (Continued)

Table of WestLB Euro-Deutschmarkbond Quotations with columns for Issuer, Maturity, Yield, and Price.

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & yields as at 31st December, 1981

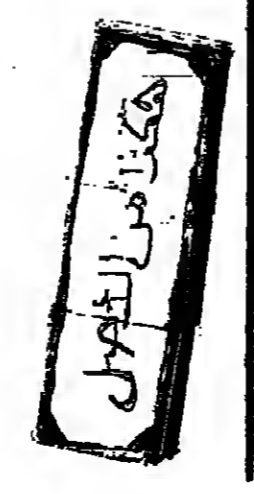
SOCIETE GENERALE De BANQUE

BANQUE GENERALE Du LUXEMBOURG

Table of investment fund data with columns for Fund, Price, Yield, Div, and other metrics.

MARKET MAKERS

Table of market makers organized by region: REGION 1 - BELGIUM, REGION 2 - FRANCE, REGION 3 - GERMANY/AUSTRIA, REGION 4 - ITALY, REGION 5 - LUXEMBOURG, REGION 6 - NETHERLANDS, REGION 7 - NORDIC, REGION 8 - SWITZERLAND, REGION 9 - UNITED KINGDOM, REGION 10 - UNITED STATES, REGION 11 - MIDDLE EAST.



GARDENS TODAY

Obituaries written in the snow

BY ROBIN LANE FOX

AS I WRITE this, the temperature is 20 below zero; the wind is jammed in the north-east and there is too much ice on the inside of the window for me to see whether the snow has finally split my sycamorus.

or death on most shrubs except the curious potentilla. If the frost has cut off this old favourite, I fear the worst for the week's friends around it.

leaves of a charming glossy green. The leaf is so much bolder than others in the family, but it is won at the price of a certain tenderness.

too charming to be so unfamiliar to gardeners on a warm soil. It is a nice plant for a holiday hot-hole so my obituary only applies to a plant in exceptional weather.

FT COMMERCIAL LAW REPORTS

Construction of meaningless charterparty clause

Court of Appeal (Lord Denning, Master of the Rolls, Lord Justice Fox); December 18 1981

WHEN CONSTRUING a clause in a charterparty, a court should give words the meaning attached to them in the context of the shipping trade, and if a sentence is so deficient as to appear meaningless the court should not reject it unless it is impossible to make sense of it, but should strive to find its true intention by having regard to similar clauses in the trade and by amending punctuation and implying words.

The Court of Appeal so held when allowing an appeal by Jade Enterprises Limited, charterers, against a decision of Mr Justice Goff in the Commercial Court, and restoring an award of arbitrators that Tropwood AG of Zug, shipowners, were not entitled under the terms of a charterparty, to withdraw their vessel from the charterers' service.

Clause 56 of the charterparty provided: "Should the vessel be on her voyage to the port of delivery at the time when payment hire is due, said payment shall be made for such length of time as owners... agree upon as the established time necessary to complete the voyage."

meaning attached to it by persons in the shipping trade. The arbitrators' finding in those circumstances was a finding of fact, not of law, with which the court should not interfere.

LORD DENNING said that the Tropwood was employed on a time-charter for 12 months. She was due for redelivery to the owners at Pohang in South Korea on January 8 1974. On November 22 1973 she left Tohata in Japan on her legitimate last voyage.

Under clause 56, the charterparty provided that the charterers should have written notice of withdrawal and demand therefor at the top market rate. Very rarely was a vessel actually withdrawn, and she would continue in the service of the charterer just as if nothing had happened.

The correct meaning of words depended entirely on their context and was to be found, not by their derivation or literal analysis, but by the meaning commonly attached to them by their users.

With regard to whether the matter came within clause 56 at all it was clear that the vessel was "on her voyage to the port of redelivery" when payment was due, the Commercial Judge held that these words meant the vessel must have left the last port and be actually proceeding to her redelivery port.

TELEVISION

Chris Dunkley: Tonight's Choice

BBC 2 starts a four-part dramatisation of one of my favourite Iris Murdoch novels. The Bell, which, almost unbelievably, was first published 24 years ago.

It is something of a mystery why Iris Murdoch's books are not adapted for television more often. The last that I can remember was "An Unofficial Rose" which appeared (also on BBC 2) in 1975, and a remarkable success it was—somewhat surprisingly so, I thought at the time.

In quite a different vein but also very welcome is ITV's drama offering, a new series of Minder which has established a very special niche for itself as technically high quality popular entertainment in which the significance of the crime element is usually outweighed by that of humour and character.

LONDON

- 9.30 am Schools Programmes. 12.00 The Munch Bunch. 12.10 Pm Rainbow. 12.30 Play It Again. 1.00 News, plus FT Index. 1.20 Thomas News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus, presented by Mary Parkinson and Kay Aryla. 2.45 The Lady Snooker Classic. 4.15 Dangerous. 4.20 Madabout. 4.45 Arthur of the Britons. 5.15 Mr Merlin. 5.45 News. 6.00 Thames News. 6.25 Help! 6.35 Crossroads. 7.00 This is Your Life. 7.30 Coronation Street. 8.00 London Night Out: Tom O'Connor introduces Dr Hook, Dana, Keith Harris, Chris Langham and the Geoff Richer Dancers. 9.00 Minder. 10.00 News. 10.30 Midweek Sports Special: Highlights of the top fifth League Cup; special report from Spain about the World Cup draw; and from Oldham, International snooker action. 12.25 am Close: "Sit Up and Listen," with Gjoette Spanier. † Indicates programme in black and white.

BBC 2

- 10.20 am Chabbar. 11.00 Play School. 12.30-1.20 pm Open University. 3.55 Landscapes of England. 4.20 Images of War. 4.40 Tigris. 5.30 They're Playing My Tune. 5.40 Undersea Kingdom. 6.00 Life on Earth. 6.55 The Water Margin. 7.40 News Summary. 7.45 Beaux Arts. 8.30 Derts: Embassy World Professional Championship. 9.00 M*A*S*H. 9.25 The Bell. 10.15 Grapevine. 10.45 Newsnight. 11.30 Darts.

BBC 1

- 9.30 am For Schools, Colleges. 10.00 You and Me. 10.15 For Schools, Colleges. 12.30 pm News: After Noon. 1.00 Pebble Mill at One. 1.45 Postman Pat. 2.01 For Schools, Colleges. 2.05 Songs of Praise from Kensal Rise. 3.40 Play It Safe! 3.53 Regional News for England (except London). 3.55 Play School. 4.30 Laurence and Hardy cartoon. 4.25 Jackanory. 4.40 Take Hart. 5.00 Newsround. 5.05 The Story of the Treasure Seekers. 5.40 News. 6.00 Nationwide (London and South East only). 6.25 Nationwide. 6.50 Rolf Harris' Cartoon Time (London and South East only). 7.20 The Wednesday Film: "Knock on Wood," starring Mai Zetterling and Danny Kaye. 9.00 News. 9.25 Sportsnight: Darts, World Cup Skiing and Amateur Boxing (England v Ireland). 10.30 Parkinson with his mid-week guests. 11.30 Phil Silvers as Sergeant Bilko. 11.55 News Headlines.

All IBA Regions as London except at the following times:

- ANGLIA 1.20 pm Anglia News. 5.15 Nippy Days. 6.00 Anglia. 12.25 am The Big Question. BORDER 1.20 pm Border News. 5.15 Out of Town. 6.00 Lookaround Wednesday. 12.25 am Border News Summary. CENTRAL 1.20 pm Central News. 6.15 O'Connell Street. 6.00 Crossroads. 5.25 Central News. CHANNEL 1.20 pm Channel Lunchtime News. 6.20 Crossroads. 6.00 Channel Report. 6.20 Bailey's Bird. 10.28 Channel Law. GRAMPIAN 3.25 am First Thing. 1.20 pm North News. 5.15 Private Benjamin. 6.00 North Tonight. 12.25 am North Newslines. GRANADA 1.20 pm Granada Reports. 2.00 Live From Two. 6.15 Private Benjamin. 6.00 Granada Reports. 6.25 This is Your Rights. HTV 1.20 pm HTV News. 4.45 Sport Gilly. 5.10 Ask Oscar! 6.20 Crossroads. 6.00 HTV News. 6.30 Superstar Profile. 10.28 HTV News. HTV CYMRU/WALES—HTV WEST except 12.00-12.10 pm Ffeilabalam. 4.15-4.45 Yrffithford Gudd. 4.45 Our Incredible World. 5.10-5.20 Dick Tracy. 6.00 Y Dydd. 6.15-6.30 Report Wales. SCOTTISH 1.20 pm News and Road and Weather. 1.30 A Full Life—Lord Cudlipp. 5.15 Pat Subject. 6.20 Crossroads. 6.00 Scottish Today. 6.20 Action Line. 6.30 Report. 12.25 am Late Call. TSW 1.20 pm TSW News Headlines. 5.15 Cw Honeyburn's Magic Birdies. 6.20 Crossroads. 6.00 Today South West. 6.30 Scenes South West/Cornwall—Coast or Country. 10.32 TSW Late News. 12.25 am Forecast. TVS 1.20 pm TVS News. 5.15 Watch This Space. 5.30 Coast to Coast. TYNE TEES 6.20 am The Good Word. 9.25 North East News. 1.20 pm North East News. 1.25 When the Sun Shines. 1.45 The Lova Boat. 3.45 Our Incredible World. 5.15 Mark and Mandy. 6.00 North East News. 6.02 Crossroads. 6.25 North East News. 12.25 am The Sealing of Jesus. ULSTER 1.20 pm Lunchtime. 4.15 Ulster News. 5.15 Near News. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 10.28 Ulster Weather. 12.25 am Bedtime. YORKSHIRE 1.20 pm Evening News. 5.15 Private Benjamin. 6.00 Calendar (Emily Moor and Belmont editions).

(S) Stereoscopic broadcast. † Medium Wave only.

RADIO

- RADIO 1 5.00 am As Radio 2. 7.00 Mike Reid. 8.00 Simon Bates. 11.30 Oveo Les Travis. 2.00 pm Paul Burnett. 3.20 Steve Wright. 5.00 Peter Dinklage. 7.00 Radio 1 Melba. 8.00 David Jensen. 10.00-12.00 John Peel. VHF RADIOS 1 AND 2—5.00 am With Radio 2. 6.00 pm Alan De with Ganga Band Oeys. 6.30 The King's Collection (S). 8.00 The Folk Entertainers (S). 8.30 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2. RADIO 2 5.00 am News. 5.02 Cricket Oast. 5.03 Steve Jones (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.05 pm John Oun (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News. Sport. 6.00 David Symonds with Much More Music (S). Including 6.45 Sports Desk. 6.00 Soccer Special. 8.20 Sounds of the Sun (S). 6.55 Sports Desk. 10.00 Tom Meenan tells local Talkers. 10.15 Baby Grand Song Factory. 10.30 Ba My Guest says Arthur Lowe. 11.02 Sports Desk. 11.05 Brian Marlowe with Round Table. 11.15 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S). RADIO 3 6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice (continued) (S). 8.30 News. 9.00 The Week's Concert: Scriabin (S). 10.00 Enesco concert (S). 10.30 There is Sweet Music (S). 11.15 City of Birmingham Symphony Orchestra (S). 1.00 pm 6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 6.45 The Widower by Georges Simenon. 9.00 News. 9.05 Midweek Henry Kelly. 10.00 News. 10.02 Gardeners' Question Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Baker's Oyster. 12.00 News. 12.05 News and Today. 12.27 Around the World in 25 Years (S). 12.55 Vietnam programme news. Their destination on Litteral Archers. 1.25 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Almond Theatre. 3.50 Zoe Talke. 4.00 Elizabeth Soderstrom (S). 4.45 Story Time. 5.00 PM: News Magazine. 5.30 Shipping Forecast. 5.55 Weather programme news. 6.00 News including Financial Report. 6.30 My Ward (S). 7.00 News. 7.05 The Archers. 7.28 All in the Family. 7.45 Back to the Beachhead. 8.30 Talking Medicines. 8.45 Film on 4. 9.30 Kainidopsis. 9.55 Weather. 10.00 The World Tonight. 10.30 Quote. Unquote (S). 11.00 A Book at Bedtime. 11.19 The Financial World Tonight. 11.30 Music. 12.00 News.

Garuda Indonesian Airways the biggest airline below the equator, one of the best above.

Our size is reflected in the quality of the inflight service aboard our Boeing 747's, and because no one knows Indonesia like the Indonesians, there can be no one better to take you there.

SEKISUI PREFAB HOMES, LTD. Osaka Adjustment of the Conversion Price of the 6 1/2% DM 50 000 000 Convertible Debentures 1976/1987

EUROBONDS The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published on the following dates: 1982 Monday 15th February Thursday 18th March Thursday 15th April Wednesday 12th May Wednesday 16th June Tuesday 13th July Wednesday 18th August Tuesday 14th September Wednesday 15th October Thursday 11th November Tuesday 14th December

THE MANAGEMENT PAGE

Spare parts surgery injects new life

Nick Garnett explains what rationalisation has done for Ferodo, the UK components maker

THE OWNER of a 1968 Bugatti approached Ferodo, five years ago, to see whether the company could supply brake linings for his car.

The result of that inquiry was a symptom of the difficulties Ferodo had allowed itself to fall into. For one thing, the company had the required linings in stock. For another, much of the company's management was proud that it had.

Ferodo, which manufactures in four UK centres, brake linings, disc brake pads and clutch facings, among other automotive components, had slowly become a victim of its own success.

It had found itself trapped by its own renowned technical expertise and pride in its ability to serve without discrimination the requirements of virtually every vehicle that moved on the road. In a marketing-orientated company with a turnover in 1980 of £55m, the dominating presence of the marketing and sales departments had over-riden the company's manufacturing arm.

As a result the company was still involved in hatch production of fittings for obscure 30-year-old cars, could supply the requirements of a Model T Ford from stock, and was only too delighted to cater for anyone with a Russian jeep.

Alongside this Ferodo, part of the Turner and Newall industrial group, was a major supplier of friction materials to component manufacturers serving a large slice of the mass-produced car market and of equipment to wholesalers for parts replacement during garage and do-it-yourself servicing.

One result of this anxiety to serve everyone in the market place equally was that in 1979 the value of stocks and work in progress was almost half of total turnover. Another was that the company operated on the 80/20 principle—20 per cent of its items made up 80 per cent of its business. The lack of priority in the way it served customers meant that it was unable to cope with the high turnover among the biggest selling items it produced.

The pressure on the company to sort out this conflict was growing on two fronts. First, it was becoming tougher for everyone to survive in the automotive industry and, second, the natural propensity of Ferodo to have a huge range of stocks was being exacerbated by the in-



Brian Whalley: stock has been put into "greyhound", "elephant" and "tortoise" categories

creased frequency of technical changes during a model's life. wider product ranges and general complexity of modern mass-produced vehicles.

Over the past three years the company has instituted a fundamental reorganisation covering management structure, manufacturing and stock control under the umbrella of "operational planning."

In plain financial terms, this has liberated over that period a once and for all sum of £8m, mainly by reducing work in progress and stocks. In turn, more than £1m per year is being saved in interest charges on stock and lower stock handling costs. Stocks have shrunk in physical volume by 36 per cent.

Along with this, the changes have permitted a 28 per cent reduction in clerical staff in order processing and related activities, simplified the messy and complex flow of information within the company and given Ferodo a sharp market-forecasting ability.

Some of these revisions, maintains the company, have put it in a stronger position than many of its competitors.

The question to which Ferodo initially had to address itself was how to match sales demand with manufacturing capacity and reduce tied-up resources while minimising the cost penalty of providing a slower service to low priority customers. The changes fell into six main areas.

Management reorganisation: The natural conflict in all industrial companies between marketing and manufacturing was particularly pronounced at

Ferodo. The sales department wanted rapid reaction to customer demand, a wide range of products to enable it to take on all competitors and an overall customer service which only high stocks could provide. The manufacturing arm, though, wanted stability of production, a minimum range of products and long lead times in which to respond to market changes.

Priority supply: A new system was instituted to replace the old method whereby, in terms of delivery speed, no distinction was made between high production Austins and low volume Aston Martins.

Products were split into four categories. The fastest-selling 20 per cent of items—such as brake linings for Ford Escorts—were classified "G" (for greyhound). The company began concentrating on longer production runs for these items to reduce tool and labour changes. At least a 98 per cent ex-stock service is offered with these.

The next category, representing 10 to 20 per cent of turnover, was marked "E" (for elephant) and these items are now manufactured less frequently and with a reduced ex-stock service.

The third category was designated "T" (for tortoise). These items are only made every six months and are held in semi-finished form where they can be turned into different products to meet specific demand.

The final category was "O" (for outside normal range). These parts—such as items for Ferraris and Legondas—are manufactured to special order and no stocks are held.

Product range: Five years ago this was made up of a staggering 50,000 brand items, but it is now down to about 15,000 with the intention of lowering it eventually to 10,000. This is being achieved by rationalising brand numbers—at one time there could be three brands for one part—and using one item where two or three were some-

times manufactured before for those products where the difference in size, tolerance and design are almost negligible. There has also been some reduction in the range of vehicles Ferodo will normally supply for.

Forecasting: A well organised system was brought in. This is used to predict vehicle populations in various geographical markets and the spare Ferodo hopes to get of those markets as well as the future parts replacement requirements of new models such as the Triumph Acclaim.

It is also used to update product life cycles for individual vehicles. Most cars have a seven to ten year cycle in the replacement market. In the first three months no one wants brake replacements (tortoise), then after nine to 12 months they start moving into the area of big demand (greyhound) before eventually slipping back into the tortoise category when the vehicle model is no longer in production.

Pricing: The company began realistic price quoting for what had now become designation "O" products. Ferodo will give the customer what he wants but the price of these items now reflects the shortness of their production runs and complexity of tooling. The company is also more flexible on pricing—buyers get these items cheaper if Ferodo's production plants need work.

Computers: Although the first step in the reorganisation was the rationalisation of the product range, a key feature running through all the changes has been the different way in which Ferodo now uses its computers.

Steve Mosely, a manager who is involved in the reorganisation at the company's main site at Chapel-en-le-Frith, Derbyshire, says that the company's financial services now have to share the computers with those areas of Ferodo's operations where change is taking place.

The company accepts that it has not yet gone all the way down the road it has set its course on. Mosely says, though, that when the already substantial changes are built upon, Ferodo will be able to react to the market even more by virtue of its better forecasting, lower raw material stocks, and swifter "application of logic" to its products.

BOARDROOM BALLADS

MANAGEMENT MODES

Businesses, it seems to me, Defy most scientific laws, Including that of gravity; But Newton got it wrong because He lamentably failed to see, With apples falling round his crown, That products of the Corporate Tree, Fall only up and never down!

The Matrix is a means whereby, The status-seekers field of sight, Instead of focussed up on high, Is channelled more to left and right, And current thinking, I've observed, Is job—however trivial—So long as status is preserved, Seem more or less convivial.

By processes which never stop, Inevitable as the waves, It pushes people toward the top Till chiefs out-multiply the braves. And this unprecedented fracture, Specific to the business sectors, Explains the Horizontal Structure Where even tea-boys are directors!

There are, then, numerous correctives—Product Centres, Project Teams, Humble's Management Objectives—To neutralise ambitious dreams; The remedies, in great profusion, Thick upon the ground as flies, Indicate the same conclusion—When in doubt, reorganise!

The time will quickly come, of course, In line with hierarchic sense, To barricade the boardroom doors And thence them out, without offence. For which the current focussed whetstone, To supplement 'Assistant to...' Are structures known as Matrices Obscuring who reports to who.

The opportunities are full, Most behaviourists agree, To counteract the massive pull Up the corporate tree. But all this putting out of shoots, Around the middle and the top, Makes me wonder if the roots Are strong enough to feed the crop.

Bertie Ramsbottom

Next week: Multinationals

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Water rate

From what I have read in your columns, back-dated rate demands are not legal. In the case of my company we had a letter from the Water Authority in April demanding £1,994 in respect of arrears over four years, which was the first we had heard of the matter. The letter stated that the rateable value of our premises was £3,976 but due to a clerical error, accounts had to be rendered based on a rateable value of £888. Could you please clarify this matter for me?

Your position is rather different from that of a person who is subject to an ordinary demand for arrears of rates. Such a demand would be valid if the valuation itself were unchanged throughout the period of demand; and so would yours be if there had not been the error disclosed in the recent letter.

We think that you can rely on the equitable doctrine of estoppel to resist any claim to the balance of £1,994 now sought by the Water Authority. You should inform the Authority that you are advised that they are estopped from claiming that balance, and

should consult a solicitor if the Authority will not concede the point. However, it may be that any excess in the current year will have to be paid.

Retirement

In June 1979 I sold my butcher's business and was led to believe that as I was over 60 I would be allowed £5,000 for each year over 60 years, and as my wife was an equal partner she would also be allowed this concession as she is also over 60 years of age. The agreement for the sale was made in February 1979 and was on these terms: £10,000 for goodwill, £2,000 for business, which was paid on June 4 1979, £22,800 for the price of the premises, providing the purchaser took up the purchase within two years, namely June 1981. The purchaser took up this agreement and has finalised the purchase. The tax people now say that I am not eligible for any tax concessions as I should have been paid when the business was sold. Is this right?

On the bare facts, we are sorry to say, it looks as though the Inspector is right in saying that you are not eligible for retirement relief on the sale

of the property (under the 1978 option); we take it that you did get the benefit of a retirement relief on the sale of the goodwill. Since you presumably consulted a solicitor (and perhaps also an accountant) in February 1979 or earlier, it is puzzling that you were not warned of the tax consequences of the proposed transaction. Whoever led you to believe that CGT retirement relief was so generous and simple has a prima facie case of negligence to answer.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

MAI computers advertisement with logo and contact information.

MOTOR CARS

HOOPER & CO. (COACHBUILDERS) LTD advertisement featuring various car models and services.

HOOPER & CO. advertisement listing pre-owned cars and services.

VEHICLE LEASING advertisement with a table of rates and contact information for Columbia Leasing.

LEGAL NOTICES advertisement containing several court notices and company announcements.

EXPORT TIMES BOOM MARKETS advertisement for a seminar on February 22-23, 1982.

OFFICIALLY APPOINTED MERCEDES-BENZ DEALER FOR OVER 25 YEARS advertisement with car listings.

1982 CADILLAC advertisement for American cars.

WOKING MOTORS advertisement for car sales and services.

ROLLS-ROYCE ESTATE advertisement for a silver shadow II.

PRESTIGE MOTORS (PONTYPRIDD) LTD. advertisement for January Madness.

PUBLIC NOTICES advertisement for Metropolitan Borough of Tameside.

THEATRES advertisement listing various plays and performances.

To readers of the Financial Times - a Special Offer! advertisement for a computer system.

A computer yes, but which one? advertisement for a computer show.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantim, London PSA. Tel: 8954871
Telephone: 01-248 8000

Wednesday January 13 1982

When Wall St sneezes

THE deepening malaise in U.S. financial markets needs no very abstruse diagnosis. After three months of sharp recession in sales and output, interest rates have been rising rather than falling from their initial drop, and have now reached a level at which only rival schools of gloom survive. Some observers now fear that high rates will inhibit any recovery from the recession during 1982; others fear that though there will be some recovery, increased credit demands will quickly raise interest rates back to near their 1981 peaks. The only suggested way out—a sharp rise in taxes to cut the Government's projected \$100bn deficit—is hardly attractive.

From London, the spectacle of the U.S. crisis must arouse mixed feelings of sympathy and exasperation. We have seen there before. The supply side error—the belief that with a sufficiently tight monetary policy, any fiscal deficit would look after itself—had its day here, and Mrs Thatcher, inheriting and extending the ill-judged reflation started by Mr Denis Healey in 1978, has suffered much political agony in correcting the balance. The latest figures for central government borrowing in the UK suggest that the correction has indeed been achieved.

It is on this account, however, that sympathy turns readily to exasperation; for America's crisis is at present robbing the British Government of the promised rewards of austerity. U.S. interest rates, now compounded in steel, is prolonging problems which the Government had hoped to solve by now. Mrs Thatcher may get market economics a bad name because President Reagan repeated her policy errors.

This is a tempting analysis, but it is still far too parochial. Neither the causes nor the effects of the present financial malaise are limited to the English-speaking world. As is pointed out in an interesting discussion of real interest rates by the merchant bankers Morgan Grenfell, the trend of real rates is set by movements in global saving and global credit demands.

Large deficits can be financed readily in a world in which financial savings are abundant—

for example, the periodic peaks in OPEC surpluses, or the peaks of current account surplus and capital export from Japan, Germany, and recently the UK. However, one result of tighter monetary policies throughout the developed world has been to make it much harder to build up and especially to sustain such surpluses. The global availability of financial savings has suffered.

High interest rates divert income from borrowers to savers, reduce demands for new credits and increase the attraction of financial investment, and might thus be supposed to balance the system. However, this process is frustrated in several ways. First, the need to finance debt service payments tends for quite a long period to inflate credit demand at least as much as it boosts savings—and especially to inflate the U.S. Government deficit, since the U.S. national debt has a very short average life. Second, the onset of recession inflates distress borrowing, by companies and weak national economies.

It is not surprising, then, that the policy assumptions of recent years are now undergoing an urgent reappraisal. Fiscal laxity is out of fashion, and monetarism under growing attack.

In the U.S., the President has hinted that he may shortly be ready to raise new taxes to attack the deficit, while the Fed has repeatedly surprised Wall Street by failing to tighten in spite of statistics suggesting accelerating monetary growth. There is, of course, much to be said for an improved fiscal balance and for a monetary stance which leaves room for the disruption caused by sudden recession. In the long run, however, partial fiscal stringency and unpredictable monetary discipline will be little better than the recent imbalance.

Also in the long term, the market is discounting very real dangers—a relapse into accelerated inflation to wipe out debt or a retreat into economic isolation and dirigisme, or quite possibly both. These can only be addressed by a thoroughgoing financial reconstruction and consolidation, and a determination either to cut current budgets or to pay for them out of income.

Politics still fluid

THE NEW year in British politics has opened on a slightly unexpected note: peace in the Labour Party and a certain amount of turbulence within the Social Democratic Liberal Alliance. Neither development is far, however, is sufficient to alter the end year assessment that the emergence of the Social Democrats means that the political scene is more fluid than for many decades.

The Labour Party truce, achieved under trades union auspices in Bishops Cleeve last week, has passed its first test. The meeting of the organisation sub-committee of the party's National Executive Committee on Monday evening seems to have been conspicuous by the general good will. There was no attempt to press the issue of expulsions or to pick a fight with constituency organisations which have selected prospective Parliamentary candidates whose Labour Party credentials may be less than ideal.

And there are good reasons why the search for unity should go on. Labour Party members, whether of the left or the right, can read the signs as well as anyone else. The party has been doing disastrously in the opinion polls and in by-elections. The prerequisite for any sort of recovery before a General Election is that it must at least tone down its internal dissensions. That was the message of the union leaders at Bishops Cleeve, as well as of Mr Michael Foot, the leader of the party, and for the moment it is being heard.

The trouble is that even with the best will in the world there is still such a long way to go. The evidence of the opinion polls suggest that the Party is continuing to lose support not only because of its tendency to fight itself, but also because of its failure to adapt its policies to changed conditions. It was the Labour Party, for instance, which went on opposing the sale of council houses long after the polls had shown that this was a popular measure even among its own voters. It is very difficult at this moment to imagine, Labour putting to-

gether a manifesto capable of widespread appeal for an election in a couple of years' time.

Yet if the Labour Party has reverted to its past, the problems of the Social Democrats are to come. Jibes that the SDP has no policies and no principles still remain slightly unfair. The new party had to devote the bulk of its energies in the early stages to building up an organisation. But it will not make this excuse much longer. After the conference to establish its constitution next month and Mr Roy Jenkins's chance to return to Parliament in the forthcoming by-election in Glasgow Hillhead, it will have to play a part in the political debate in a way that it has largely avoided so far.

The key question that it has ducked is why an SDP or Alliance government would be any more successful or competitive than its predecessors. It is very unlikely that Britain's relatively dismal economic performance is due simply to the absence of proportional representation. It is also far from obvious that an SDP-Alliance government would produce a much better test: previous governments have not on the whole been short of intellectual ability, nor is the present. There is, in brief, perhaps something intractable in the nature of the country's problems that the SDP has failed to face up to.

It is also striking that a good many Social Democrats fail to recognise how much of their present support is based on the idea of an alliance with a capital "A." It is one thing to play it tough with the Liberals in the allocation of Parliamentary candidates. That is natural enough when the Party is seeking to establish itself. But beyond that there is the question of what an Alliance means. In ordinary language it means common policies, a joint manifesto, shared press conferences and party political broadcasts, perhaps with the ultimate intention of a merger. That is where the Social Democrats ought to be moving once their organisational questions have been resolved. Like the Labour Party, they do not have a great deal of time.

NOMURA'S WORLD CHALLENGE

A giant with an appetite

By John Makinson



However, the greatest obstacle to Nomura's plans lies within the company itself. It has not yet proved that it can adjust from the sheltered environment of Tokyo, where its influence is enormous, to the rough and tumble of international banking.

Nomura is seen by competitors in London as a Japanese leviathan, often lacking the flexibility and innovative flair even of its domestic rivals. Daiwa Securities, for example, is regarded much more highly as a trader in the Eurodollar bond market.

Even in its traditional area of expertise, equity dealing, Nomura comes in for criticism, although its research capabilities are beyond question.

The tight control exercised by the Tokyo office over foreign business may contribute to the unwieldiness. Last year, Nomura was stuffing the London market with convertible bonds for Japanese corporations long after most of its competitors had called a halt.

Nomura can afford to take the occasional loss on debt offerings in the Euromarkets for its domestic customers. It helps to guarantee the more profitable business at home. But, if Nomura wants to increase its contacts with non-Japanese clients, it will need to develop a more delicate approach. The margin between profit and loss on the Euromarkets is a very fine one.

Mr Keisuke Egashira, who heads the London operation, is aware of the difficulties. He has represented Nomura in New York and Tokyo, and London since 1964, with breaks in one of the most able and subtle Nomura men outside Japan.

Like Mr Ito, Mr Egashira believes it is essential to bring non-Japanese into the Nomura structure. But securing Euro-credits which can adjust to the Japanese approach to business and fit in with the hierarchical career framework is not easy.

The task is made all the more difficult by the tensions within Nomura itself. Mr Ito has created considerable resentment in the foreign offices by integrating the domestic and international divisions. It was not long ago that Mr Egashira, on visits to Tokyo, would maintain a stoic silence rather than voice his opposition.

Relations may have improved since then but the atmosphere within Nomura is still unsettled. Mr Egashira's London deputy has just been recalled to Tokyo. He is being replaced by a veteran of the international department, an Ito man.

Within the Tokyo office itself, some of the younger staff members believe that Nomura may be moving too far, too fast. Nomura certainly has the financial resources and management strengths to pursue its international strategy. The next few years will determine whether it has the flexibility to turn an expensive gamble into success.

Japan's largest securities

house wants to become the biggest diversified financial institution in the world and is expanding rapidly overseas. But some critics wonder whether it is yet versatile enough to realise all its ambitions, and it may find further growth difficult in some markets because of Japan's unwelcoming attitude to foreign financial institutions.

IN a single steel-clad vault at the heart of Tokyo's financial district lies the paper evidence of the strength of Nomura Securities. Row upon row of clerks sit silently sowing and clipping bond and share certificates worth \$60bn, entrusted to the company by its clients.

A few floors higher, Nomura's sales force is busy creating more clerical work, pushing the company's purchase recommendations through 108 domestic offices to Japanese investors. Aggressive marketing, backed by political acumen and the country's biggest research organisation, has made Nomura the most profitable financial institution in Jappo.

Its goal now is to become, in its own words, "the world giant of combination banking." The barely disguised aim is to be the most powerful diversified financial institution in the world. Last year, Nomura became the first financial group in the country to report annual operating profits in excess of ¥100bn (£333m). Its net income of ¥44.75bn, for the year ending September 1981, was roughly double that recorded by its nearest rival in the Japanese securities industry and can be compared with only one other brokerage group outside Japan—Merrill Lynch of the U.S.

Like Merrill, Nomura is much more than a stockbroking firm in the British sense of the term. It combines the functions of broker, jobber and merchant banker. But, even with this spacious field to play in the company is approaching saturation point in its domestic market.

Over the past couple of years, U.S. securities companies have been grabbing the headlines with their ambitious attempts to diversify into new areas of business. Japanese securities law has been developed with a close eye on the American model. But the flexible approach of the Japanese authorities has already led Japan's securities companies some way down the road on which their American counterparts have only recently embarked.

Nomura itself worked closely with Merrill Lynch in the post-war years, and several senior Nomura executives were partially trained by Merrill in New York. The arrangement was hailed only when the international aspirations of both companies exposed clear conflicts of interest. Yet, while Nomura has generally been given a sympathetic hearing by the Ministry of Finance, a clear wall still exists between commercial banking and securities operations within Japan. So its aim is to move into international banking markets, following and developing the foreign aspirations of Japanese companies, seeking new clients, exploiting the enormous growth potential of the South-East Asian area and, within Japan, serving the investment needs of foreign institutions.

No U.S. securities company

would be able to attain the domestic market share enjoyed by Nomura. By its own reckoning, Nomura gained a 19.3 per cent share of equity dealings on the Tokyo Stock Exchange during its last financial year. In over-the-counter bond transactions, its share was even more conspicuous at 28.3 per cent. The Japanese Ministry of Finance is prepared to accept the control exercised by the four leading securities companies (Nomura, Nikko, Daiwa and Yamaichi) over the equity and debt markets, but even so, Nomura could not increase its presence much further without risking a political storm. If Nomura is to continue growing at anything like the rate of the past few years, it has to go abroad.

The company is no stranger to the international scene. It established a New York office within two years of the group's foundation in 1925. Since then, it has built up a network of 26 foreign branches and subsidiaries, which last year contributed about 10 per cent of total operating income.

However, until recently, Nomura's activities outside Japan have been modest in scope. The company has met the overseas financing needs of its domestic clientele and catered to the growing foreign turnover in Japanese securities. Turnover on the Tokyo Stock Exchange reached a record 107.54bn shares last year, mainly because of the inflow of foreign capital. The architect of Nomura's overseas strategy is Mr Setsuya Tabuchi, the company's shrewd and self-effacing president. But the site engineer and the driving force behind foreign policy, is Mr Masanori Ito, an executive vice-president and by common consent the most powerful man in Nomura after the president.

More autocratic than his peers, Ito is equipped with boundless energy and grand ideas. He is, without a doubt, an empire builder. Yet whether his aspirations will ever be

realised is open to considerable doubt. After all, the company's present chairman, Mr Kiichiro Kitaura, predicted precisely 10 years ago that Nomura would be generating 50 per cent of its business outside Japan within a decade. Those hopes were dashed and Nomura's goal is again a 50-50 split within 10 years.

Nomura wants to use its worldwide branch network as a clearing house for securities of all kinds. Before long, it expects to be selling Japanese equities in Amsterdam, Eurodollar bonds in Honolulu and U.S. certificates of deposit in Tokyo.

Nomura is also well placed to

has already been established. Tokyo's international division, once an independent fiefdom, has been slowly dismembered over the past four years, leaving control firmly in the hands of the domestic divisions. Su eurodollar bond underwriting in London, for example, is now the direct responsibility of Tokyo's domestic bond department.

Simultaneously, the foreign offices have been regrouped into three regions. Worldwide, the branch network is being linked by a communications system called Compass, which is probably the most sophisticated information system of its kind in the world.

There is also the touchy question of reciprocity. The Japanese Ministry of Finance does not exactly extend a welcome mat to foreign banks and securities companies and the Bank may be seeking some improvement in the status of British banks in Tokyo.

The delay is causing considerable embarrassment to Nomura which has a shining new banking concourse lying idle in its London offices. It may be able to resolve the problem by buying a London bank or by seeking a licence for its Amsterdam subsidiary, which has pedigree EEC credentials. But the reciprocity issue is likely to crop up again.

Nomura has recently obtained membership of the New York Stock Exchange. Yet the Tokyo Stock Exchange has consistently given the cold shoulder to approaches from Merrill Lynch, suggesting politely that it might try the much smaller Osaka exchange. Merrill's chairman, Mr Roger Birk, is biding his time for now. "We don't want to compete with the Japanese securities companies at the moment," he says. "But, looking down the road, it is a possibility." Some distance down that road, the U.S. authorities could make life a little difficult for Nomura in New York.

JAPAN'S TOP SECURITIES HOUSES

Table with 5 columns: Revenue, % change, Operating profits, % change, Net profits, % change. Rows for Nomura, Nikko, Daiwa, Yamaichi.

take advantage of the emergence of the Asia-Pacific region as the area of the world which has probably the highest long-term growth prospects. Like other Japanese financial institutions, Nomura has close ties with the developing countries of the region and expects to use its European and North American operations as a funding base for syndicated credits and project financing in South-East Asia.

It can also count on its traditional client base in Japan for more foreign business. As protectionist pressures build up in western markets, Japan's corporate sector is being pushed into joint venture arrangements with foreign partners. Blue chip companies are establishing manufacturing facilities outside Japan. The structural framework for Nomura's international push

The first stage, already in operation, connects all the foreign offices. The second phase, due to be introduced at the end of this year, will provide Nomura's offices with detailed economic data and foreign exchange analysis, as well as information on the world's main equity, bond and money markets.

Nomura is playing for high stakes. The budget for the Compass project, originally set at ¥5bn (£12m) is now likely to exceed ¥10bn. Overseas offices are being enlarged. Nomura's new London premises are big, stylish and expensive. They are also only a stone's throw from one of the main stumbling blocks to Nomura's strategy—the Bank of England. The company has run a small banking operation from Amsterdam for many years but, with ambitions to expand in the

Men & Matters

Room at the top

Alec Ritchie moved into the chief executive's office at Grindlays Bank over a year ago, when Citibank pulled out of its five-year management arrangement.

But magnificent as the 17th-floor view of the City might be—though Ritchie claims the river view from his former eyrie was better still—it occupant has had to wait until now for the job-title which traditionally went with the room. For the last year, Grindlays has been run by an "executive committee" of eight men, including chairman Nigel Robson and deputy chairman Ritchie. The new set-up is that Robson remains full-time chairman, but Ritchie is chief executive in day-to-day control. If that sounds a complicated sort of arrangement, it is characteristic of the way in which Grindlays is organised. The bank is 51 per cent owned by Grindlays Holdings, a quoted company, which is in turn 41 per cent owned by Lloyds Bank. So Lloyds exercises what might be called effective negative control over the group, while Citibank controls 49 per cent of the bank and until December 1980—the top management.

That divided structure has meant that the last couple of years have heard endless rumours about Grindlays' future: a carve-up to give Grindlays to the Royal Bank of Scotland, while Citibank got Williams and Glyn's? A sale of Citibank's stake to Banco de Bilbao? A bid from Lloyd's? Grindlays has been the subject of more putative liaisons than the bachelor Prince Charles, and when the Monopolies and Mergers Commission report on the Royal Bank of Scotland is finally delivered, Grindlays will no doubt be figuring somewhere in somebody's speculative equation. But to extract the simplest strand from all that, a year ago

the bank's shareholders diffused executive responsibility through an eight-man team. Now they have found a single man with whom they are happy. So far, at least, Grindlays is more settled these days—though Citibank declined to comment last night on the present view which it takes of its investment.

Ritchie himself is a 53-year-old Edinburgh-born English-educated Scot who started work with Glyn Mills in the years which also produced John Butterwick of Lazard's, Dick Lloyd of Hill Samuel, and Sir Jeremy Morse of Lloyds. When that talented little house was absorbed in the William and Glyn's merger, he worked his way up to an executive directorship there before moving to Grindlays in 1977. He is also chairman of Union Discount, and picked up a directorship of the oddball Ottoman Bank on the way. The 154-year-old Grindlays was built up through Empire days, and remains the largest foreign bank to India, where it has 4,000 of its 11,000 employees. It not only managed to keep things going in Uganda through the bloody years of Amin, but even got its dividends out, while the local managers were rewarded with frequent spells of rest and recreation in Nairobi.

French leave

Leaders of the Scadink sailors' unions will have to run the gauntlet of two disputes with British Rail—their own and the train-drivers—to get to France tomorrow for a meeting with their opposite numbers in the Confederation Generale de Travail. The obvious location for the meeting would have been Dieppe, as the talks concern the French sailors' anxiety over British Rail's decision to withdraw from its partnership with SNCF on the Newhaven-Dieppe route. But with 200-odd British sailors occupying the ship

Senlac—and thereby blocking all sailings on the route—Boulogne was considered a suitable alternative rendezvous.

How the officials of the Merchant Navy and Airline Officers' Association and the National Union of Seamen were to reach their destination has undoubtedly been a matter for high level discussion.

The prospect of hitching a ride on a Sealink vessel run by a continental partner was obviously unacceptable, so the officers have agreed to swallow their pride and travel deck class with the lower ranks on P & O. No such fraternal solidarity is to be demonstrated towards the rebellious landlubbers of British Rail, however. Both delegations will be dodging the rail strike and travelling to the port by car.

Out of phrase

Telling simple truths is not particularly popular in Washington at the moment, and politicians are busy devising ways round it. After the Reagan administration's coining of "revenue enhancement" for tax increases, we had "tax give-back reduction" for cuts in allowances against taxable income. And now—"negative wealth effect" to describe real loss of income. How about "negative verity capability" for those who cannot face the truth?

Wrong sum

"The sight of you hacks blundering into Latin," said a rather unkind man on the telephone. We find deeply amusing. The target of this thunderbolt was the unappreciated form of Smith St Aubyn's motto "Tenax in side" which cropped up in the column yesterday with an "n" too many in the first word. Mea culpa? Non, non, et non. That "tenax" left my pen in a form which Mr Ovid himself would have approved, had the old fellow still been alive today.



"I have the old familiar feeling that Sbank's Poxy will be along any minute!"

and with a bright career ahead of it. So whence the interloper? I do not know. But you may rest assured that the little beast has been punished severely, and will not be appearing in the paper again for some time to come. Anyway, for those of you with highly-developed Latin sensibilities, here is an eortously funny joke to wipe yesterday's discomfort from your minds: A jovial Latin master, out for dinner with a colleague, was consulting the restaurant wine list and settled on a bottle of German white. "Hock," he said merrily to the wine waiter, "hic haec hock, you know the stuff."

About 20 minutes later, the food arrived. But no wine. Another 10 minutes went by, and still no sign of the desired bottle. The waiter summoned the wine waiter to his table. "Where," he demanded, "is the wine for which I asked?" "But sir," replied the waiter, "you declined it."

Observer

Extel and STANDARD & POOR'S

Extel are marketing agents in Western Europe including the United Kingdom for all the printed services of Standard & Poor's Corporation.

Standard & Poor's is the leading publisher of business, financial and marketing publications and services in the United States. It provides information in the form of printed publications and bond ratings.

Extel for all your Company information needs

© EXTEL is the registered trade mark of The Exchange Telegraph Company Limited.

Form with fields for Name, Position, Firm, Address, Telephone and Extel logo.

BRITAIN'S WEATHER

Forecasting in the dark

By David Fishlock, Science Editor

The glass is falling fast by hour. The glass will fall for ever. But if you break the bloody glass, you won't hold up the weather.

Louis MacNeice (Supper Music)

IF THE continent of Atlantis existed, it could be enjoying unseasonably warm weather just now, as are the inhabitants of Siberia and Greenland. But sandwiched between these great patches of mild weather in a ring round the Northern Hemisphere are others that are very cold.

It so happens that these very cold patches cover the U.S. and Northern Europe, land masses which between them have a population of perhaps 500m.

What the world's weather machine is doing at any given time depends inevitably upon who, if anyone, is reporting it. Only lately have meteorologists come to appreciate just how significant this fact can be. The so-called "Hula ice-age" of the 18-19th century may reflect nothing more than that the weather machine stalled in a way that left the inhabited parts of the world colder than hitherto.

The weather machine is the constant churning of the earth's atmosphere, driven by the upsurge of warm, moisture-laden air from the tropical seas. Globally, the churning settles into a pattern, just as the churning of gases through an internal combustion engine follows a pattern of fluid flow.

But the pattern is never stable. Apparently trivial aberrations in this flow pattern can be amplified by the churning air masses to generate great anomalies far removed from the origin.

One of the principal flow patterns prevailing is the jet stream, a strong, circulating wind that blows several miles up, discovered by pilots in the Second World War. Typically, this wind blows at about 60 knots but it can reach 200 knots.

But far from blowing in a circle, the instabilities cause the jet stream to wiggle its way round the northern hemisphere. The pattern of oscillations determines the pattern of warm and cold patches, cold troughs and warm ridges, as the weathermen say. These patches are spanning about 1,500 miles at the latitude of Northern Europe.



"Here at the Met Office the temperature has sunk to an all-time low . . ."

In winter, if we find ourselves on the eastern edge of a trough, the weather will tend to be warm and wet. If we find ourselves on the western edge of the trough it will tend to be cold and dry.

If we find ourselves plumb in the middle of a trough, the weather will be very cold with heavy "precipitation," meaning a lot of snow. This is a rare event for Britain, but having occurred—as it did in December—it is likely to recur, as it has done this past week.

What is more, because of the pattern, Britain's weather is likely to be reflected in the U.S. Right now, these two land masses are in the grip of icy weather.

Just how icy can be illustrated by a glance at the meteorological Office's records. In Central England, for which the Met. Office has records dating as far back as 1659, it was the third-coldest December on record. The coldest was December 1890 when the mean temperature plunged to -0.8 degree C. Last month the mean temperature was -0.3 degree C.

Until then, the coldest December this century was in 1950, when it fell to +1.2 degrees C. So December 1981 was, in the words of one weatherman, "far and away the coldest this century."

We are not halfway through January yet, but the mean temperature stands at +0.5 degree C—"on the cold side but nothing exceptional." It is raised by the warm spell around the turn of the month which embraced most of England and Wales.

For the 500m people in Europe and the U.S. affected by these icy troughs, the urgent question is just how long can we expect the weather machine to remain stalled. No-one can say. The Meteorological Office dropped its monthly weather forecasts after several years when it realised that it did not have the flow of information from all parts of the weather machine—which means almost every part of the globe—from which to compute them.

In 1980 the Met. Office concluded that its present input of data was not sensitive enough to reveal the slowly developing trends. It needs to be improved by a big investment worldwide in data-gathering systems.

For example, although meteorological satellites now generate weather maps of the entire globe, showing very clearly the fronts, this highly sophisticated system provides no information about sea surface temperatures. Small changes which can have huge consequences for weather patterns on the other side of the globe go undetected. Our present troubles may well have been caused by a small temperature change in the South Pacific, where meteorological data is still very sparse.

Even to produce reliable weather forecasts just for one week ahead, Britain's weathermen need information from every part of the Earth's surface. In fact, it is still scarce from such areas as Siberia, the Poles, the great mountain ranges, and above all the tropical regions of the oceans where all the world's weather might be said to start.

Would a big international investment in meteorological data-gathering pay off? There is no question that Western society is becoming increasingly sensitive to climate and to any transient extreme of temperature and rainfall. The bills have not yet come in this winter. But the bad weather of 1978-79 cost the British taxpayer about £26m in assistance to hill farmers, many of whom had to be sustained by helicopter. Local authorities paid out £30m to grit and clear roads and weather damage to roads may have added a further £50m. The National Bus Company paid out an extra £12m to keep its bus feet on the road.

If the data base is missing for a dependable long-term forecast about the winter we (and our American cousins) can expect this year, can the Met Office offer any comfort for the rest of the week? The answer is Yes. The trough that had settled on Northern Europe is now slowly shifting, bringing warmer weather to the north and west of Britain, though it may take a few more days to thaw out London and the South-East.

"THE SLAVES are ours" is not something the Western world likes to hear—but when the Soviet Government orders a brutal suppression of Polish workers, whom hunger drove into the streets, nothing much can be done about it. The slaves were promised to the Russians at Yalta and that agreement is still the basis of an uneasy peace between the two so very different halves of Europe.

However, though nothing positive can be done to assist them—and sanctions have rarely had positive results—there is no need to help the Soviet Union to keep down the Poles and other subject peoples.

I lived under a Communist regime in Central Europe for 20 years, working at times close to where decisions about the economy were made, and at other times at the bottom of the ladder in the mines. I learned that the Communist establishment is not monopolistic, not even in Moscow. A growing faction is aware that, since nuclear conflagrations are suicidal, both the prosperity and security of the Warsaw Pact countries depend on technological advance on a broad front. This cannot be achieved with slave labour. Economic necessity, rather than Helsinki, will eventually establish human rights in Eastern Europe. Yalta, like all such big deals in the past, will become irrelevant. Internal changes will make it so.

But the process of change in the Soviet empire is being retarded by Western subsidies to the Stalinist faction, mainly in the form of credits à fond perdu. Such subsidies, which have an inflationary effect on the West, should be discontinued and the exchange of goods through clearing arrangements between central banks.

To say that Polish generals are better than Russian generals must sound ridiculous to the inhabitants of Eastern Europe. They know that the Polish generals are Moscow-trained and that their action has been carefully prepared by Soviet units on "manoeuvres" in Poland. It is directed by Soviet officers who exclusively staff the Warsaw Pact's High Command. The Communists know that a direct Soviet intervention

The Polish Crisis

One day Yalta will be forgotten

by A. H. Hermann



The centrists are always ready to save the nation by delivering the required quota of sacrificial lambs for slaughter. They are at work now in Poland.

Some Western observers still seem to take seriously the generals' assurances that economic reforms will be put into effect. But the fact that these reforms would frustrate the purpose of Soviet domination is there for everyone to see.

Why did Poland need ships from the UK? Because its own shipyards worked for the Soviet Union. Why did Poland need such huge hard-currency credits and derive so little benefit from them? Because its economy was so linked to the Soviet economy that it could not produce enough hard-currency exports or use them for its own benefit. That sort of economy cannot be steered by profit-conscious managers.

Poland's agriculture consists of 80 per cent of private peasant farming. This forms the economic basis of the influence wielded by the Polish Catholic Church. Four years ago the Polish Government started to force the peasants to join collective farms by denying them essential supplies. This collectivisation campaign was the most important single cause of the hunger which more than anything else led to the emergence of the Solidarity movement.

The artificially-created scarcity of feeding stuffs led to a drastic fall in meat production. The lack of natural manure and the denial of fertilisers gradually starved the soil. And in 1981 even the meagre harvest could not be brought home completely because harvesting machinery was unoperational for lack of spare parts while able-bodied people, who in the past could bring the harvest home without machines, had left the villages for factories and towns long ago.

What reforms will the generals make here? They cannot call off collectivisation—their taskmasters did not put them into power to fortify the position of the Catholic Church. And if they force it through, the result will be no better than in the Soviet Union which, after 60 years of collective farming, is still dependent on grain imports.

If the West continues its subsidies there will be no reforms. Talleyrand said you can do anything with bayonets except sit on them. Once more Talleyrand will be proved wrong: it is possible to sit on bayonets, provided that foreign bankers feed you.

would be far less effective because of language difficulties and because it would provoke stronger resistance from the population. The repression which followed the Soviet occupation of Czechoslovakia in 1968 seems to be a polite tea party compared with what is happening in Poland at present.

Every occupying power relies on the co-operation of "centrists." The centrists claim that they are a lesser evil than the "ultras"—in this case the Soviet Army. In fact, the centrists always deliver to the occupants more than the ultras ever could.

They are always ready to save the nation, the factory or the football club by delivering the required quota of sacrificial lambs for slaughter. They stand for law and order; they were great in ensuring orderly delivery of Jews to the gas chambers and of Czechs to Russian uranium mines. They are at work now in Poland.

Letters to the Editor

Tests of motives for international tax avoidance

From Mr S. Millman
Sir—Lex (January 7) mentioned the draft legislation published by the Government entitled "International tax avoidance." There are a number of additional points which I think are worth making.

Although the abolition of exchange control may have provoked the new legislation relating to UK-owned overseas companies, this is really because s. 482 of the 1970 Taxes Act no longer served a useful purpose. In particular, the "offshore cash box" mechanism mentioned was perfectly feasible under exchange control because the foreign company could be located in the offshore sterling area. If, therefore, the abolition of exchange control has at all facilitated corporate tax avoidance, it can only be marginal, eg. that the Bank of England can no longer require part remittance of overseas profits.

The proposed legislation does give enormous discretion to the Inland Revenue, far more, at least in my experience, than any other UK fiscal legislation. Not only are the tests of motive not objective tests (they are tests of events as they appear to the Board of Inland Revenue), but the imposition of the tax itself is also wholly at the discretion of the Board.

Employers' statutory sick pay

From Mr E. Fremantle
Sir—The Government's proposals for employers' statutory sick pay (ESSP) contained in the recently published Social Security and Housing Benefits Bill, are to be welcomed by industry. The 100 per cent self-deduction of ESSP from employers' national insurance contributions (NIC) is as a result of much representation by employer organisations. At least companies will be refunded the actual cost of ESSP although it looks as though both employer and employee will have to pay national insurance contributions on ESSP, which would be an additional cost to companies, and a charge to the employee.

ESSP will be taxable in the hands of the employee and is to be treated as earnings, as also will any additional supplementary sick pay provided by the employer. Another factor that companies will have to contend with is medical certification. GPs will stop providing "doctors' certificates" for sickness absence of one week or less from next June. There is considerable doubt as to the validity of the present system of certification, but at least it was some form of evidence of sickness. "Self-certification" will now be the name of the game, and acceptable methods are currently being worked out by employers' organisations and the Department of Health and Social Security. The Bill is unlikely to receive Royal Assent until Whitsun, 1982.

Teething troubles there may be, and although some employers will benefit financially from the new proposals, others will incur extra costs if they wish to maintain their present levels of net sickness payments. Companies who do not presently provide sickness schemes for their employees will have an additional administrative burden put on them; others may find that there will be less administration than at present. All will require to consider systems for administering the payment and repayment.

Maintaining the London market

From the Chairman, The Stock Exchange
Sir—In his article (January 9) on "The rising cost of a bargain," Richard Lambert, your Financial Editor, says: "In most of the world's Stock Exchanges brokers act as both principals and agents. But the London authorities say that the separation of capacity provides a better assurance of a continuous, efficient and fair market." He is both wrong and right. In the overwhelming majority of the world's Stock Exchanges, brokers are (for reasons of client protection) not allowed to deal as principals at all. This is part of the reason that so many markets are relatively thin. We in London do claim for our market the qualities Mr Lambert refers to, but we could not hope to maintain those advantages if we were compelled to allow jobbers to deal direct with the public, as is implied by the reference in the article to the restrictive trade practices case.

Keep the Seillac sailing

From Mr J. Potter
Sir—The other day I saw the 5,500 ton motor vessel Seillac lying in Newhaven harbour with a red, white and blue banner on her starboard side which read "Save our Seillac." The officers and crew of this eight year old ship have a reputation all over Sussex for being as keen as mustard. A record number of passengers were carried last year.

PIA's Dubai



The not-so-far Middle East

If you've a flight to the Middle East, PIA are the people to make the distance seem shorter. Because we take pride in making our flights comfortable and easy—so that coming aboard seems like coming home. We fly from London Heathrow to important cities in the Middle East. And, once aboard, you can relax and enjoy the time honoured traditions of the East. And, above all, the attention that ensures that the journey, far from seeming too long, seems, if anything, too short.

Phone your travel agent now for details or call Pakistan International Airlines at 45/46 Piccadilly, London W1. Telephone: 01-734 5544.

Great people to fly with

UK COMPANY NEWS

Companies and Markets

Hogg Robinson rises by 34 per cent to £3.11m

DESPITE a difficult first half Hogg Robinson Group increased taxable profits for the period to September 30 1981 by 34 per cent from £2.33m to £3.11m, on turnover 26 per cent higher at £23.56m compared with £18.67m.

HIGHLIGHTS

Lex briefly looks at the events in the financial markets before considering the merger of Habitat and Mothercare which now looks to be moving into the last lap.

up more than 10 per cent. Some £0.4m has been charged for financing the new U.S. associate...

SGB Group drops to £12.52m

A SUBSTANTIAL drop in pre-tax profits was shown by SGB Group for the year to September 30 1981. After half-time figures dropped by £3.69m to £4.97m the full year taxable result emerged down from £16.28m to £12.52m...

Ratners profit hit by higher operating costs

HIGHER OPERATING costs caused taxable profits of Ratners (Jewellers) to fall from £599,000 to £294,000 in the six months to October 6 1981 while retail sales excluding VAT advanced 8 per cent from £9.59m to £10.38m.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Correlation, Total for year, Total last year. Includes entries for Bett Bros, K.O. Boardman, Caledonian Cinemas, etc.

Talks on at Colonial Securities

ANOTHER INVESTMENT trust bid seems to be on the way after shares of Colonial Securities were suspended yesterday at 54p.

This involved giving ordinary shareholders an annual series of preference shares equal in value to the size of the discount at the end of each financial year.

Hollas falls £49,000 at midway

ALTHOUGH pre-tax profits of the Hollas Group fell from £558,000 to £506,000 in the half year to September 30 1981 shareholders will be disappointed to learn that the board considers that the company has reached a stage in its growth where it is both possible and advantageous to seek trustee status.

There were minority credits this time of £71,000, compared with a previous debit of £380,000 leaving available profits of £645m, against £11.63m.

Guinness' shift of emphasis A NUMBER of alternative strategies are being developed at Guinness Son and Company, and it is probable that whatever is selected some shift of emphasis in the trading pattern and balance of the group now seems inevitable.

Guinness' shift of emphasis

He says that without explanation the financial results are not encouraging, but given detailed consideration and careful analysis the progress made is reassuring and significant.

Bett Bros falls back to £1.72m

IN LINE with the directors' interim forecasts, taxable profits of Bett Brothers fell from £2.25m to £1.72m in the year to August 31 1981 or turnover £2.85m lower at £17.86m.

Buoyant year at Equitable Life

EXTREMELY buoyant new life business results for 1981 have been reported by two mutual life companies which do not pay commission.

Equitable Life Assurance Society saw new annual premiums rise by 30 per cent last year from £27.1m to £35.3m and single premium improve by over one-third from £12.1m to £16.6m.

Boardman plunges to £14,835

FIRST-HALF pre-tax profits of K. O. Boardman plunged from £242,632 to £14,835 and the company, which manufactures and imports clothing and has commercial printing interests, is again passing its interim dividend.

Mrs Mason share move blocked

Mrs Pamela Mason, the Hollywood socialite and former wife of actor James Mason, was refused leave by the High Court in London yesterday to transfer her controlling interest in Lotherbury Investment Corporation before the hearing of a petition to wind up the company.

allowed to exercise an option to transfer her 60 per cent holding in Lotherbury to another company, Able.

THINK TCB advertisement. It's always been sound financial advice... now there's a new factor in its favour. TCB Century House, Dyke Road, Brighton BN1 3FX.

MAPCO UPDATE advertisement. GIBSON COUNTY, Ind. — MAPCO Inc. will build Indiana's largest underground coal mine here... 58,000,000 tons of recoverable reserves under 11,000 acres.

NIPPON YUSEN KABUSHIKI KAISHA advertisement. 7 3/4% Convertible Bonds Due 1996. Pursuant to Clause 7(B) of the Trust Deed dated as of 18th February 1981 and Condition 5(C) of the above-mentioned Bonds, notice is hereby given as follows:

SGB GROUP advertisement. REDUCED GROUP PROFIT IN SPITE OF IMPROVEMENTS OVERSEAS. Final dividend increased. Preliminary Announcement Year ended 26th September 1981.

ELDRIDGE, POPE & CO., p.l.c. advertisement. Authorised share capital: 300,000. Unclassified shares of £1 each. 2,100,000 'A' (Restricted Voting) Ordinary shares of £1 each.

M. J. H. Nightingale & Co. Limited advertisement. 27/28 Lovat Lane London EC3R 8EB. Telephone 01-621 1212.

THE TRING HALL USM INDEX advertisement. 114.6 (-1.9). Close of business 12/1/82. BASE DATE 10/11/80 100. Tel: 01-628 1591.

كلمة من السيد

Caledonian Zimbabwe profits save Kenning at year-end

A FALL in the profitability of all divisions except property caused taxable profits of Caledonian Associated Cinemas to drop from £232,000 to £195,000 in the half year to September 26 1981.

A re-consolidation of results from Zimbabwe, at Kenning Motor Group, following the lifting of sanctions and the receipt of £308,000 dividends, has turned a European loss of £903,000 into a group profit of £3,55m pre-tax for the year ended September 30, 1981, although this was still down on the previous year's £4m.

On a CCA basis pre-tax figure is given as £1.7m. Kenning's policy of staying in Zimbabwe during the years of UDI provides some consolation in a year when the company in Europe has slid into the red.

Kenning's policy of staying in Zimbabwe during the years of UDI provides some consolation in a year when the company in Europe has slid into the red. However, though the Zimbabwe company, with profits more than doubled at £4.45m, has been re-consolidated, only half of post-tax profits can be taken out of the country.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Table with columns for company names and meeting dates. Includes Benn Bros., Central Finance, etc.

JOINT COMPANY ANNOUNCEMENT ANGLo AMERICAN INDUSTRIAL CORPORATION LIMITED (AMIC) DE BEERS INDUSTRIAL CORPORATION LIMITED (DEBINCOR)

REDEMPTION OF DEBINCOR 5.5 PER CENT CUMULATIVE PREFERENCE SHARES AND 12.25 PER CENT CUMULATIVE REDEEMABLE PREFERENCE SHARES

It was announced on January 5 1982 that the Debincor 12.25 per cent cumulative redeemable preference shareholders had passed a resolution agreeing to the redemption of their preference shares through the issue on a one-for-one basis of preference shares in Amic.

It is accordingly confirmed that the following will be salient dates of the redemption proposals as they relate to the 5.5 per cent and 12.25 per cent preference shares in Debincor:

- (a) THE RECORD DATE, i.e. the date on which: (i) dealings in and the listing of the Debincor 5.5 per cent cumulative preference shares on The Johannesburg Stock Exchange and The Stock Exchange in London will cease;

Increase for D. C. Thomson

Trading profits of D. C. Thomson and Co. the Dundee-based printer and publisher, increased from £5.48m to £7.05m for the year to March 31, 1981, while net income rose by £2.26m to £6.45m.

Difficult conditions for Ace Belmont

Conditions for both tourist and static holiday caravans at home and abroad remain difficult says Mr T. W. Reed, the chairman, of Ace Belmont International, the privately held caravan manufacturer.

Consolidated Share Registrars Limited or Charter Consolidated P.L.C.

In order to enable Debincor preference shareholders to obtain their share certificates in respect of their entitlement to Amic shares in accordance with the redemption proposals, all preference shareholders of Debincor are requested to surrender their share certificates or other documents of title as soon as possible to:

Dura Mill scrip issue

The directors of Dura Mill state that to maintain the listing of the company's shares on the Stock Exchange it is necessary for the company to be re-registered as a public limited company.

Lincroft Kilgour back to profit

A LOW level of business throughout the year was reported by Lincroft Kilgour, but the taxable result has improved from a deficit of £425,406 to profits of £230,863. Turnover has fallen from £13.15m to £10.58m for the year to September 30 1981.

Trading conditions have deteriorated during the opening months of the current year, says Mr Tony Holland, chairman of this cloth merchant and menswear manufacturer. However, the group, with its sound financial position, is well placed to benefit from any recovery.

Trading results improved from a deficit of £380,763 to a surplus of £142,522. The taxable figure was struck after higher investment income of £102,963 compared with £75,092, and exchange gains of £75,563 against losses last time of £38,525. Last year there were also share associated losses of £50,890.

NEW THROGMORTON

New Throghmorton Trust states that tenders of the capital loan stock amounted to £1,498,361. The company's dealing subsidiary, NIT Securities, may accept 20 per cent of the outstanding stock (currently £2,399,785) amounting to £479,957.

Courts higher after six months

TAXABLE PROFITS of Courts (Parisiers) improved from £1.83m to £1.67m for the six months to end-September 1981 on turnover, including VAT, higher at £30.7m, compared with £28.53m.

However, overseas trading has been satisfactory and they anticipate group operating profits for the second half should be in excess of the first half's £1.45m (£1.3m).

The pre-tax surplus included a deferred profit transfer of £197,000 (£172,000 debit). No account was taken of property disposal profits, which the directors say were slightly ahead of those for the corresponding period a year ago.

The Wellcome Foundation Limited Report for the year ended 29 August 1981

Table with columns for 1981 and 1980. Rows include Capital employed, Group sales, Expenditure on research and development, Profit before tax, Profit after tax, Distribution to shareholders.

Group sales were £500 million against £442 million for the previous year, says Mr A. J. Sheppard, chairman of The Wellcome Foundation Limited, in his annual review. Group profit before tax was £50.1 million compared with £49.3 million.

With only 16% of group sales being made to the UK domestic market, the review notes the continuation of widely fluctuating trading conditions and currency values. If sales and profit for 1980 and 1981 had been compared in local currency terms, the increase in sales and profit would have been 16% and 20%, respectively.

Long-term work in antiviral chemotherapy resulted in the first introduction of the novel agent 'Zovirax' as an oral tablet in the UK market. Zovirax has a unique type of action against herpes viruses, and other even more important presentations should reach the market in 1982.

The chairman reports: "The group's finances remain in a strong position and there are adequate liquid funds and undrawn facilities, including certain term monies, to fund future known capital expenditure."

Oakwood falls to £0.6m and pays 4.5p final

TAXABLE PROFITS of engineer and distributor of sanitary ware Oakwood Group fell from £718,000 to £388,000 in the year to September 30 1981 on turnover marginally higher at £9.52m compared with £9.88m.

The final dividend is set at 4.5p net per 25p share making a total of 8.5p. Last year a single distribution of 4.5p was made. Earnings per share are given as 35.5p (28.5p).

YEARLINGS UNCHANGED

The interest rate on this week's issue of local authority bonds is 15 1/2 per cent, unchanged from last week and compared with 13 1/2 per cent a year ago. The bonds are issued at par and are redeemable on January 19 1983.

REA BROS.

Acceptances have been received in respect of 76.25 per cent of the 1.6m shares of Rea Brothers offered in one-for-nine rights issue last month. The issue was priced at 90p, the then market price. The balance of the shares has been sold at a net premium of slightly more than 2p.

Advertisement for American Express Bank featuring a stylized figure and the text 'NATURAL RESOURCES DEVELOPMENT' and 'American Express Bank'.

Companies and Markets

BIDS AND DEALS

RAY MAUGHAN EXAMINES THE BODDINGTONS-OLDHAM MERGER

Opportunities 'almost too good to be true'

WHEN The investment arm of the Campaign for Real Ale opened its first pub in Hyde, Greater Manchester's status as good beer drinking territory was confirmed. Boddingtons Brewery has been in the forefront of Manchester's growing taste for cash-conditioned beers (the natural stuff demanded by real ale drinkers) and it has been adding volume while many of its competitors have been forced to accept lower throughput.

It has been expanding its licensed estate—which now totals 272 tenanted and managed pubs—and has concentrated its efforts in the Manchester area. Its total delivery radius stretches 80 miles but as many as 200 pubs are clustered within 20 miles of Boddingtons Strangeways brewery.

But for all this concentration on its home base, Boddingtons' ale has barely travelled the eight or so miles which separate Manchester's Albert Square and the centre of Oldham.

The £23m bid which has been agreed with Oldham Brewery presents opportunities which one breathless analyst described yesterday as "almost too good to be true."

There are 374 public houses in the Oldham petty sessional

division and Oldham Brewery has mostly confined its 86 outlets within this boundary. Boddingtons so far has just three. "Our presence in the Oldham area is almost non-existent," says chairman, Mr Edward Boddington.

It is surprising that Boddingtons' has not contemplated such a merger before—and its recent share price strength may have precipitated the approach. "The deal has been under discussion for about nine months, says Mr Boddington, "and we've been able to use our paper."

As a result of its first growth—profits have risen at a compound rate of almost 25 per cent over the last decade—Boddingtons' shares have been highly rated on the stock market.

Analysts are looking for profits of some £6.2m before tax for 1981 which indicates a fully taxed price/earnings ratio of some 17 at 149p, down 9p yesterday.

At this level, Oldham Brewery shares—quoted on the Unlisted Securities Market since last October—are valued at 160p and stand at 27 times 1980 earnings. Heavy staff by comparison with a sector multiple of under seven but, as one broker commented yesterday:

"That's the sort of price which an independent brewer comes at these days."

It is worth noting too, that Boddingtons' is paying a hefty premium on Oldham's net assets of £10.5m and Mr Albert Mitchell, Oldham's director and secretary made it clear that the price proved irresistible.

Oldham's two big national brewery shareholders—Allied and Whitbread—have accepted the terms but, according to Mr Mitchell, "it wasn't a question of us wanting to merge with anybody."

"The approach was made and the offer was a good one—difficult to defend anyway," he admits.

Boddingtons' have recently completed a four-year capital investment at Strangeways at a cost in excess of £5m. Its effect has been to double capacity to a peak of 2,000 barrels per week. It will be, or about 7,500 barrels weekly allowing for cleaning, maintenance, and the production of more than one brew. At present, it is brewing only 6,000 barrels, or 300,000 barrels each year.

Oldham's Albion brewery, which Mr Ewart has not so far seen, is thought to be capable of rolling out 70,000

Boddingtons' Breweries is offering three ordinary shares and 195p nominal of 9½ per cent convertible loan stock 2006/2005 in every four ordinary Oldham Brewery shares. Shares in Oldham, which were brought to the Unlisted Securities Market last October when the price was 77p, are valued at 167p and the market capitalisation is £24.1m.

Kleinwort Benson, advising Boddingtons, is underwriting a separate cash offer, open until the first closing date after the posting of the formal offer documents, under which it will acquire Boddingtons' shares and loan stock from accepting Oldham shares at a price equivalent to 150p.

The loan stock will be convertible from 1983 to 1993 on the basis of 63 Boddingtons' ordinary shares for every £100 of stock.

The Oldham board intends to recommend that their 1,400 or so shareholders accept the offer and will accept in respect of their own 1.5 per cent holding.

Whitbread Investment and Allied Breweries Investments have indicated their intention to accept in respect of their holdings of 10.04 per cent and 9.54 per cent of the Oldham equity.

Whatever its "real ale" devotees may say, Boddingtons plans to bring these pasteurised beers alongside its own cash-conditioned ales in a two-pronged assault on the free trade.

Meanwhile, it seems likely that Allied will take cash for its stake in Oldham. Whitbread Investment will elect for the share and loan stock package but is mindful of the effect on its investment trust status on any movement in its aggregate 26.4 per cent holding in Boddingtons.

IRELAND

£120,000,000

Medium Term Starting Facility

arranged by
Ulster Investment Bank Limited

in conjunction with
National Westminster Bank Limited

managed by
Allied Irish Investment Bank Limited
Amsterdam—Rotterdam Bank N.V. (London Branch)
CIBC Limited

County Bank Limited
The Fuji Bank, Limited
Irving Trust Company

National Westminster Bank Limited
The Royal Bank of Scotland Limited
The Sanwa Bank, Limited
Standard Chartered Bank Ireland Ltd.
The Tokai Bank, Limited
Ulster Investment Bank Limited

The Yasuda Trust and Banking Company Limited

Agent
International Westminster Bank Limited

December 1981

Habitat bid: no monopolies probe

THE AGREED £117m bid by Habitat for Mothercare is not to be referred to the Monopolies and Mergers Commission—and last night it looked set to become unconditional.

Habitat's advisers, Morgan Grenfell, said acceptances had been received on account of "well over 50 per cent" of Mothercare's shares by 3 pm, when the first closing date of the bid was reached. Precise figures will be announced this morning.

It now remains for shareholders in both companies to approve the merger at extraordinary general meetings tomorrow. Given yesterday's level

of Mothercare acceptances and the fact that Mr Terence Conran, Habitat's chairman, controls over half of the company's shares, both approvals should be a formality.

The terms of the Habitat bid provided a cash alternative for half of Mothercare's shares, offering 125p per share. This alternative, available only until the first closing date, was chosen by "a very high proportion" of the acceptances, said Morgan Grenfell.

Habitat's shares last night closed down 3p at 110p. It is expected to increase the number of cash acceptances; it was also the case that Mr Selim Zilkha, Mothercare's chairman, had

always indicated his intention to take the cash. Mr Zilkha and his associates control 22 per cent of Mothercare.

A third factor lifting the cash acceptances is believed to have been the attitude of those institutional shareholders in Mothercare who were also involved in the underwriting of Habitat's cash offer.

Their underwriting role will leave them with Habitat shares, increasing the attraction of cash rather than more Habitat shares for the Mothercare shares which they themselves owned. About 60 per cent of Mothercare's shares were held by institutions.

See Lex

RTZ discloses 33.93% stake in Thos. Ward

MARKET PURCHASES and acceptances of Rio Tinto-Zinc's current £144m bid for Thos. Ward amount to a 33.93 per cent stake by Monday evening, RTZ disclosed yesterday.

The bidder spent another day yesterday standing in the market for Ward shares at 230p and its advisers, Morgan Grenfell, will today announce further purchases.

RTZ also posted yesterday a letter from its chairman Sir Anthony Tuke, setting out the revised terms of its bid as announced on January 6. The document reminds the shareholders of the Sheffield based holding company that the offer closes on January 26—"If it has not become unconditional by then, it must lapse"—and reiterates RTZ's main arguments.

The documents encompass a detailed questioning of the various assumptions underlying Ward's recent forecast of £23m pretax profits for 1981. The letter

stresses the support given to the RTZ bid by Tunnel Holdings, the cement manufacturer 52 per cent owned by Thos. Ward, by warning Ward shareholders that in the event of the bid's failure their shares are "likely to fall substantially and remain depressed."

Ward's advisers, S. G. Warburg, said it still appeared to them that RTZ had "misjudged the whole thing." Claiming that a large number of shareholders still thought 230p (cum dividend) inadequate, they said RTZ had "even now not stated that this is definitely the final offer price."

Since the bid has now passed day 46, any further increase in the price would have to be approved by the Take-Over Panel and would need to be the condition of a single transaction offering enough shares to give RTZ more than 50 per cent of Ward.

See Lex

AIR UK CHANGES CHARTER SET UP

The British and Commonwealth Shipping Group, parent company of Air UK, is to transfer the airline's inclusive tour charter operations to new ownership. Preliminary agreement for the transfer has been reached with a group of businessmen which includes Mr Peter Villa, at present managing director of Air UK.

Mr Villa and his associates will acquire from British and Commonwealth four 80-passenger BAe One-Eleven aircraft currently operated by Air UK. This acquisition is expected to be completed by April 1.

As well as the four aircraft, the group will be acquiring a considerable quantity of One-Eleven spares as part of the arrangement with British and Commonwealth. It hopes to employ all Air UK One-Eleven flight deck crews (34 pilots) as well as some 50 stewardesses. The new group will have its headquarters in the London Gatwick Airport area.

INGALL INDS./W. HYDE & SON

Ingall Industries has acquired through its wholly-owned subsidiary, W. English and Son, the funeral directing and undertaking business of W. Hyde and Son of Barnsley, South Yorkshire, for £250,000 of which £225,000 was in cash with the balance subject to certain adjustments. Ingall is confident that a satisfactory return will be earned from the acquisition.

JOSEPH CAUSTON/HUNKYDORY DESIGNS

Sir Joseph Causton and Sons state that concerning the acquisition of Hunkydyory Designs, a final payment of £216,430 has been made to the vendors—£66,592 through issuing 213,394 25p ordinary shares to Mr Brian Shawcross, a director of Causton and formerly principal shareholder in Hunkydyory, and £149,838 in cash. Mr Shawcross now owns 471,991 ordinary shares to Causton. Total consideration paid to the vendors of Hunkydyory was £264,815.

SALE BY GASKELL BROADLOOM

Gaskell Broadloom has sold its two-third owned Australian subsidiary, Berber Carpets International Pty. The purchaser was Dana Nominees on behalf of Mr N. Kieley, a director of Berber.

Consideration was \$A135,000 cash and the issue to Gaskell of 150,000 redeemable preference shares. Gaskell has been released from a bank guarantee of \$200,000.

DSL TAKEOVER

DSL (Deborah Services), has taken over J. E. Barker (Decorators)—a group of four companies engaged in industrial painting and acid resistant flooring.

Manchester based J. E. Barker (Decorators) has associate companies in Middlesbrough and Glasgow, and has a further flooring company in Manchester.

The main activity of the DSL Group is contract scaffolding. It has 21 UK subsidiaries and international companies in the US and West Yorkshire.

SHARE STAKES

Uniflex Holdings—Hillsdown Holdings has acquired a further 19,375 ordinary shares.

Single Group—Mr K. P. Legg, director, purchased £10,000 15 per cent convertible unsecured loan 1989-91 and sold 50,000 Ordinary shares.

Uniflex Holdings—Maurice D. Lazarus, director, disposed of 14,375 ordinary shares.

COPE ALLMAN
Cope Allman International has sold its subsidiary, Morris Tooling, being two ordinary shares of £1 each, at par value.

The purchasers have also agreed to provide Morris with funds amounting to £386,500 for the immediate repayment of inter-group borrowings.

DENMAN ELECTRICAL
Denman Electrical Supplies has acquired this old established Balfour Group of companies with depots in Birmingham, Coventry and Nottingham. Denman, who are wholesale suppliers of a wide range of electrical materials to trade and industry, now has depots in 21 towns throughout the Midlands and South-west England.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Feb. Last	Vol.	May Last	Vol.	Aug. Last	Stoek
GOLD C 8375	30	22	16	23	1	47	£389.50
GOLD C 8400	4	10	15	12	4	95.80	"
GOLD C 8425	12	1.60	3	2	3	3	"
GOLD C 8450	1	1	1	1	1	1	"
GOLD P 8375	80	7	48	14	10	15	"
GOLD P 8400	41	17A	1	1	12	40	"
GOLD P 8425	1	1	1	1	1	1	"
GOLD P 8450	1	1	1	1	1	1	"
10% NL 81 87-01							
C F.105	110	2	1	1	60	1.60	F.106.70
C F.105.50	1	1	1	1	1	1	"
P F.107.50	1	1	1	1	1	1	"
12 NL 81 85-88							
C F.102.50	50	0.50	1	1	1	1	F.102.20
P F.100	1	1	1	1	1	1	"
10% NL 80 86-89							
C F.95	6	2.40	1	1	1	1	F.97
C F.97.50	60	0.50	1	1	1	1	"
ABN C F.280	6	5	10	14	10	5.50	F.284.50
AKZO C F.250	158	1.60	11	2.20	1	1	F.272.90
AKZO C F.280	285	0.10	158	1.10	1	1	"
NEIN C F.48	50	5.60	60	2.20	1	1	F.48.60
NOOC C F.90	10	3.50	1	1	1	1	F.16.50
KLM C F.90	2	10.50	1	1	1	1	"
KLM C F.100	28	1.10	18	4.30	12	10.50	"
KLM C F.110	1	1	1	1	1	1	"
KLM C F.120	1	1	1	1	1	1	"
KLM C F.130	1	1	1	1	1	1	"
KLM C F.140	158	1	1	1	1	1	"
KLM C F.150	81	10.30	32	11.50	10	20	"
KLM C F.160	1	1	1	1	1	1	"
NEOL C F.150	1	1	1	1	1	1	F.134
NEOL C F.140	20	5.60	1	1	1	1	F.109
HATN C F.10	19	1.20	1	1	1	1	F.10.90
HATN C F.20	121	0.90	73	1.90	87	2.20	F.20.90
PHIL C F.22.50	1	1	1	1	1	1	"
PHIL C F.25	7	0.10	1	1	1	1	"
PHIL C F.27.50	1	1	1	1	1	1	"
RD C F.90	259	2A	29	6	8A	6A	F.91.90
RD C F.100	180	0.10	165	2.20	14	5.20A	"
RD C F.110	1	1	1	1	1	1	"
RD C F.120	1	1	1	1	1	1	"
RD C F.130	1	1	1	1	1	1	"
RD C F.140	1	1	1	1	1	1	"
RD C F.150	168	1	28	6.50	15	4.6	F.149.50
RD C F.160	1	1	1	1	1	1	"
RD C F.170	1	1	1	1	1	1	"
RD C F.180	1	1	1	1	1	1	"
RD C F.190	1	1	1	1	1	1	"
RD C F.200	1	1	1	1	1	1	"
RD C F.210	1	1	1	1	1	1	"
RD C F.220	1	1	1	1	1	1	"
RD C F.230	1	1	1	1	1	1	"
RD C F.240	1	1	1	1	1	1	"
RD C F.250	1	1	1	1	1	1	"
RD C F.260	1	1	1	1	1	1	"
RD C F.270	1	1	1	1	1	1	"
RD C F.280	1	1	1	1	1	1	"
RD C F.290	1	1	1	1	1	1	"
RD C F.300	1	1	1	1	1	1	"
RD C F.310	1	1	1	1	1	1	"
RD C F.320	1	1	1	1	1	1	"
RD C F.330	1	1	1	1	1	1	"
RD C F.340	1	1	1	1	1	1	"
RD C F.350	1	1	1	1	1	1	"
RD C F.360	1	1	1	1	1	1	"
RD C F.370	1	1	1	1	1	1	"
RD C F.380	1	1	1	1	1	1	"
RD C F.390	1	1	1	1	1	1	"
RD C F.400	1	1	1	1	1	1	"
RD C F.410	1	1	1	1	1	1	"
RD C F.420	1	1	1	1	1	1	"
RD C F.430	1	1	1	1	1	1	"
RD C F.440	1	1	1	1	1	1	"
RD C F.450	1	1	1	1	1	1	"
RD C F.460	1	1	1	1	1	1	"
RD C F.470	1	1	1	1	1	1	"
RD C F.480	1	1	1	1	1	1	"
RD C F.490	1	1	1	1	1	1	"
RD C F.500	1	1	1	1	1	1	"
RD C F.510	1	1	1	1	1	1	"
RD C F.520	1	1	1	1	1	1	"
RD C F.530	1	1	1	1	1	1	"
RD C F.540	1	1	1	1	1	1	"
RD C F.550	1	1	1	1	1	1	"
RD C F.560	1	1	1	1	1	1	"
RD C F.570	1	1	1	1	1	1	"
RD C F.580	1	1	1	1	1	1	"
RD C F.590	1	1	1	1	1	1	"
RD C F.600	1	1	1	1	1	1	"
RD C F.610	1	1	1	1	1	1	"
RD C F.620	1	1	1	1	1	1	"
RD C F.630	1	1	1	1	1	1	"
RD C F.640	1	1	1	1	1	1	"
RD C F.650	1	1	1	1	1	1	"
RD C F.660	1	1	1	1	1	1	"
RD C F.670	1	1	1	1	1	1	"
RD C F.680	1	1	1	1	1	1	"
RD C F.690	1	1	1	1	1	1	"
RD C F.700	1	1	1	1	1	1	"
RD C F.710	1	1	1	1	1	1	"
RD C F.720	1	1	1	1	1	1	"
RD C F.730	1	1	1	1	1	1	"
RD C F.740	1	1	1	1	1	1	"
RD C F.750	1	1	1	1	1	1	"
RD C F.760	1	1	1	1	1	1	"
RD C F.770	1	1	1	1	1	1	"
RD C F.780	1	1	1	1	1	1	"
RD C F.790	1	1					

MINING NEWS

Diamond sales fall 46% in 1981

BY KENNETH MARSTON, MINING EDITOR

A FURTHER weakening took place during the second half of 1981 in the value of sales of rough (uncut) diamonds marketed by the South African De Beers Central Selling Organisation...

Table with 4 columns: Year, June, Dec, Year. Rows for 1981, 1980, 1979, 1978, 1977, 1976, 1975, 1974, 1973, 1972, 1971, 1970, 1969.

occurred before the economic downturn. Stocks at the cutting centres are now down to more normal levels. These earlier purchases were made in the trade with borrowed funds and it is significant that bank indebtedness in Israel is now down to about \$700m, compared with \$1.15bn a year ago.

Germany. This, together with a slight improvement at the cutting centres encourages the belief that the diamond business is now bouncing along the bottom.

Because of the weakening in the value of the South African rand against that of the U.S. dollar, the fall in terms of rand has been less pronounced. Sales of \$147.5m in the first half have been followed by

The fall in CSO sales reflects the latter's policy of stockpiling production at times like these of low demand. This has helped to reduce the big stocks previously held at the cutting centres where a good deal of overbuying

Christmas retail sales of diamond jewellery in the U.S., which is the biggest market for gems, improved over those of a year ago and similar reports have been received from West

Meanwhile, De Beers' results for 1981, which are due in March, will be adversely affected by lower income from diamonds and gold. However, the company stands greatly to benefit from its big stockpile of diamonds when the eventual recovery comes, as the chairman, Mr Harry Oppenheimer, recently pointed out.

Quarterly gold profits rise

BETTER than expected net profits for the December quarter of 1981 are reported by the South African gold mines in the Consolidated Gold Fields group. During the period the price of gold averaged \$417 per troy ounce compared with \$422 in the previous three months, but all the mines in the group have increased their earnings in the latest quarter.

Further, the group's mines have managed to keep the rise in working costs down to a mere 0.6 per cent as compared with 6.5 per cent in the September quarter when the industry felt the brunt of wage increases. The overall tonnage milled in the past quarter was unchanged while there was a further slight reduction in gold grades which produced a modest fall in gold output of 1 per cent to 34,750 kg.

Net quarterly profits of the individual mines are compared in the following table.

Amal Tin omits interim

THE London-registered Amalgamated Tin Mines of Nigeria (Holdings) lost a net £214,000 in the six months to September 30 1981, compared with a net loss of £162,000 for the comparable period of the previous year. The company is again omitting the interim dividend.

MMC denies link with Maminco

IN RESPONSE to an enquiry from the Kuala Lumpur stock exchange, the tin-producing Malaysia Mining Corporation (MMC) announced yesterday that it has no interest in the recently-established private company called Maminco.

Falconbridge shuts down in Caribbean

CANADA'S Falconbridge Nickel has confirmed rumours that it plans to close its loss-making ferro-nickel complex in the Dominican Republic.

Patino buys interest in Brascan

THE REORGANISATION of the Canadian mining interests of Toronto's Northgate Exploration and Patino of the Netherlands has been completed with the acquisition by the Dutch company of Northgate's 34 per cent stake in Edger, Kertitz.

Investors Capital declines

NET REVENUE after tax of Investors Capital Trust slipped from £1.8m to £2.0m in the year ended November 30 1981, while stated earnings per 25p share fell from 3.45p to 3.26p.

Securities Tst replaces loan

The Securities Trust of Scotland's one-year loan of £500m at 9 per cent from Royal Bank of Scotland is due for repayment this month.

Stead & Simpson falls to £0.81m

ALTHOUGH TURNOVER of Stead & Simpson advanced from £13.32m to £19.14m excluding VAT for the half-year to September 30 1981 taxable profits of this footwear retailer and motor trader which has close company status, fell back by almost 30 per cent to £810,000, compared with £1.15m.

54 companies wound up

Compulsory winding up orders against 54 companies have been made by Mr Justice Slade in the High Court. They were: N. B. Sargeant (Transport), Brucebus, William King and Sons (Watford), BST Printing, P. D. Mullins, Leaveney Valley Courtyard Software, J. H. Yeomans (Printers), Carpenter Storage, Clampright, Hardwick Automation, Albert Turner and Son, Malik Bros (Textiles), Faragon Investments, Centarm, Kensel Radio, Actualisers, Richlight, Readypost, Mullport, Deakew, Screenland.

Claverhouse

Revenue of Claverhouse Investment Trust edged forward from £933,242 to £950,101 for 1981, before tax of £291,955, against £283,335. Stated earnings per 50p share improved to 6.55p from 6.50p, which is being paid as a final dividend of 6.55p (6.4p) by a 4.3p final.

Claverhouse

Revenue of Claverhouse Investment Trust edged forward from £933,242 to £950,101 for 1981, before tax of £291,955, against £283,335. Stated earnings per 50p share improved to 6.55p from 6.50p, which is being paid as a final dividend of 6.55p (6.4p) by a 4.3p final.

CHARTER CONS.

Charter Consolidated states that the operations of its wholly-owned subsidiaries, Ferrard Engineering and Torque Tension, were merged on January 1. Both companies, which manufacture and market mining equipment, will continue to trade under their current identities until March 31 1982.

METALS EXPLORATION LIMITED

Important Notice to Shareholders of North Kalgurl Mines Limited. CASH OFFER DEADLINE. Metals Exploration's Cash Offer of \$A1.50 for each 30c share in North Kalgurl, up to a maximum of 15 per cent of the issued capital, closes on 22nd January.

M. Brown revaluation

A revaluation of licensed houses and breweries at Blackburn and Worthington was completed during 1981 for Matthew Brown, brewer, and Mr P. Townsend, the chairman, says this has produced a surplus of about £26m to the company's fixed assets. These rise from £21.81m to £48.04m and the chairman says this indicates the strong asset backing of shareholders' funds.

Advertisement for Barclays Bank Limited, New Issues Department, 2 London Wall Buildings, London EC2P 2BU. Further yellow Acceptance Forms are available from Barclays.

Advertisement for M. Brown revaluation, detailing the revaluation of licensed houses and breweries at Blackburn and Worthington.

Large advertisement for Bank of Boston International, featuring a map of the Americas and text: 'NOW YOU CAN DO YOUR OFFSHORE BANKING ON AMERICAN SOIL.' Includes details about offshore banking services and contact information.

Advertisement for Sakai Heavy Industries, Ltd. featuring the SKG logo and text: 'SAKAI HEAVY INDUSTRIES, LTD. U.S. \$15,000,000 5 1/2 PER CENT CONVERTIBLE BONDS DUE 1996'. Lists various subsidiaries and services.

Advertisement for Hitachi & Company, Ordinary BDRs issued by Citibank N.A. NOTICE IS HEREBY GIVEN that a dividend due to holders of BDRs as at September 30th 1981 may now be claimed.

Advertisement for Mitsui & Company, Ordinary EDRs issued by Citibank N.A. NOTICE IS HEREBY GIVEN that a dividend due to holders of EDRs as at September 30th 1981 may now be claimed.

Advertisement for Salon international véhicules utilitaires + accessoires, Genève 22 - 31.1.1982. Includes an image of a car.

APPOINTMENTS

Senior post at National Girobank

Mr Alastair Hanton, senior director, has been appointed deputy managing director of NATIONAL GIROBANK.

Mr Michael G. Pontifex has joined the partnership of LAURENCE PRUST AND CO. stockbrokers.

Mr E. R. C. Forman has been appointed to the board of GLAXO HOLDINGS. He remains managing director of Glaxo Operations UK.

ROYAL INSURANCE states that the directors of Royal Life Insurance Limited, the recently established company responsible for Royal's worldwide life insurance operations, are: Mr J. J. Hayward (chairman), Mr A. C. Baker, the Hon. J. H. Baring, Mr J. N. H. Hay, Mr A. A. Horsfield, Mr E. B. Johnson, Mr N. H. McAlpine, Mr D. Melzerthagen, Mr H. A. Stammers, Mr J. Williamson, Mr B. P. A. Davies

is secretary, Royal Life Insurance Limited.

Mr Michael J. Bancroft has joined the board of EDMUND NUTTALL HOLDINGS and has been appointed deputy managing director of Edmund Nuttall Limited. Mr Alan W. Petrie has been appointed company secretary of both Edmund Nuttall Holdings and Edmund Nuttall Limited.

Lord Shawcross and Sir David Hunt have been appointed to the board of THE OBSERVER.

Mr Russell Chitt has joined ROBERT VINCE ADVERTISING as an account director.

Mr David W. Robins has been appointed to the board of HANSON SOBELCO, the British subsidiary of Hamon-Sobelco SA Brussels, Belgium.

JOHN H. TAYLOR has been appointed Mr Malcolm Parkinson to the board. John H. Taylor is a subsidiary of Feedex Agricultural Industries.

THE FINLAS PRINTING AND PUBLISHING GROUP has made the following appointments: Mr

Malcolm Horton, managing director of Westorham Press, becomes deputy chairman. Mr Peter Haworth, finance director, becomes managing director and Mr Ian Lethbridge has been appointed group chief accountant.

Mr Derek B. Morris, director with special responsibility for geophysics, has become managing director of HUNTING GEOLOGY AND GEOPHYSICS. He takes over from Mr Philip Rankin, who will remain a director of Hunting Geology and Geophysics and of Hunting Geology and Geophysics (Australia) Pty on a part-time basis, but will retire from the board of Hunting Surveys and Consultants. Mr D. B. Tipper has been made director with special responsibility for geophysics. Dr J. G. Potts and Mr E. R. Peters have been appointed associate directors.

Mr Patrick Walsh, a director of VELGEN, has joined the board of SATELLITE EXPRESS.

The TALBOT MOTOR COMPANY has appointed Mr Colin A. Walters director - industrial operations. Mr Walters succeeds Mr Jean Fayet who has been

appointed to a senior position with Automobiles Peugeot in France.

Mr Ian Macgregor has been appointed chief financial officer to the ENGINEERING INDUSTRY TRAINING BOARD in succession to Mr Mervyn Morris who has retired. Mr Macgregor joined the board in 1971 and was responsible for financial planning and services.

Mr Owen Meredith has been appointed managing director of AUTO SUTURE UK the UK affiliate of the United States Surgical Corporation.

MARDON WRAPPINGS has made the following appointments: Mr J. Stephen Hainstock has been appointed financial director and will also remain as secretary. Mr J. Barry Renny has been appointed works director. Mr Nick J. Beaumont has become sales director.

Mr Bryan J. McGinity has been appointed marketing director of MINTEK. Mr McGinity was purchase director for Unipart.

CURRENCIES, MONEY and GOLD

Sterling falls

Dollar rose slightly against European currencies in the foreign exchange market yesterday, but declined by a small amount against the Japanese yen. The U.S. currency was helped again by the firmer trend in Eurodollar interest rates, but finished well short of its best levels of the day.

Sterling suffered a bout of late selling, and probably required some support from the bank of England, it traded fairly quietly but by selling from U.S. centres, which may reflect concern about the present British labour situation with regard to the railways and coal mines.

The Italian lira replaced the D-mark as the second weakest currency in the European Monetary System, but other members showed little change. The DOLLAR - Trade-weighted index (Bank of England) rose to 108.4 from 108.2 on Monday and 110.1 six months ago. Three-month Treasury bills 11.98 per cent (14.75 per cent six months ago). Annual inflation rate 9.6 per cent (10.2 per cent previous month). The dollar rose to DM 2.2665 from DM 2.2650 against the D-mark; to FF 5.80 against the FF 5.7980 against the Swiss franc; to Sfr 3.45 against the Sfr 3.45.

STERLING - Trade-weighted index 90.7 against 90.6 at noon. 90.7 at the opening, and 91.0 at previous close (92.9 six months ago). Three-month interbank 15.7 per cent (13.1 per cent six months ago). Annual inflation 12 per cent (11.7 per cent previous month) - Sterling opened at \$1.8810-1.8820 and touched a peak of \$1.8890-1.8900 in the afternoon, before late selling pushed it down sharply to \$1.8740-1.8750. Annual inflation 12 per cent (11.7 per cent previous month) - The pound fell to 17.0250, the guilders to 15.5490 from 15.54; the Irish punt to 60.14 from 60.08, and the lira to 2,128.9 per 100 from 2,129.0. The French franc fell to 6.7020 from 6.7175 and the Danish kroner to 5.2150 from 5.2180.

SWISS FRANC - Trade-weighted index 151.1 against 151.2 on Monday and 137.1 six months ago. Three-month interbank 8.8 per cent (10 per cent six months ago). Annual inflation 8.5 per cent (7.9 per cent previous month) - The Swiss franc was little changed against the dollar and D-mark in Zurich in very quiet trading.

Table: THE POUND SPOT AND FORWARD. Columns: Jan 12, Day's spread, Close, One month, % Three months, % Six months. Rows: U.S., Canada, Netherlands, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Austria, Switzerland.

Table: THE DOLLAR SPOT AND FORWARD. Columns: Jan 12, Day's spread, Close, One month, % Three months, % Six months. Rows: UK, Ireland, Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Austria, Switzerland.

Table: CURRENCY MOVEMENTS. Columns: Jan 12, Bank of England, Morgan Guaranty, Jan 11, Bank of England, Morgan Guaranty. Rows: Sterling, U.S. dollar, Canadian dollar, Austrian schilling, Belgian franc, Danish kroner, Deutsche mark, Swiss franc, French franc, Lira, Norwegian krone.

Table: OTHER CURRENCIES. Columns: Jan 12, Jan 11, Note Rates. Rows: Argentina peso, Australia dollar, Brazil cruzeiro, Finland markka, Hong Kong dollar, Iran ryal, Kuwait dinar, Luxembourg franc, Malaysia dollar, New Zealand dollar, Saudi Arab riyal, Singapore dollar, U.A.E. Dirham, Austria, Belgium, Denmark, Germany, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, Yugoslavia.

Table: EMS EUROPEAN CURRENCY UNIT RATES. Columns: Currency, ECU central rate, % change from central rate, % change from previous month, Divergence from ECU. Rows: Belgian franc, French franc, German D-mark, Italian lira, Dutch guilder, Swiss franc, U.K. pound sterling.

Table: EXCHANGE CROSS RATES. Columns: Jan 12, Pound sterling, U.S. dollar, Deutsche mark, Japanese yen, French franc, Swiss franc, Dutch guilder, Italian lira, Canadian dollar, Belgian franc. Rows: Pound sterling, U.S. dollar, Deutsche mark, Japanese yen, French franc, Swiss franc, Dutch guilder, Italian lira, Canadian dollar, Belgian franc.

Table: FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 12). Columns: 3 months U.S. dollars, 6 months U.S. dollars. Rows: bid 14 1/8, offer 14 7/16, bid 15 1/16, offer 15 1/16.

Table: EURO-CURRENCY INTEREST RATES (Market closing Rates). Columns: Jan 12, Sterling, U.S. dollar, Canadian dollar, Dutch guilder, Swiss franc, West German mark, French franc, Italian lira, Belgian franc, Japanese yen. Rows: Short-term, 7 days notice, Month, Three months, Six months, One year.

Table: MONEY MARKETS. Columns: London clearing bank, lending rates, 14 1/2 per cent (since December 4). Rows: London clearing bank, lending rates, 14 1/2 per cent (since December 4).

Table: MONEY MARKETS. Columns: London clearing bank, lending rates, 14 1/2 per cent (since December 4). Rows: London clearing bank, lending rates, 14 1/2 per cent (since December 4).

Table: MONEY MARKETS. Columns: London clearing bank, lending rates, 14 1/2 per cent (since December 4). Rows: London clearing bank, lending rates, 14 1/2 per cent (since December 4).

Table: MONEY MARKETS. Columns: London clearing bank, lending rates, 14 1/2 per cent (since December 4). Rows: London clearing bank, lending rates, 14 1/2 per cent (since December 4).

Table: MONEY MARKETS. Columns: London clearing bank, lending rates, 14 1/2 per cent (since December 4). Rows: London clearing bank, lending rates, 14 1/2 per cent (since December 4).

Table: MONEY RATES. Columns: NEW YORK, FRANKFURT, LONDON, GERMANY, JAPAN, FRANCE. Rows: NEW YORK, FRANKFURT, LONDON, GERMANY, JAPAN, FRANCE.

Table: GOLD. Columns: Jan 12, Jan 11. Rows: Gold (fine ounce), Gold (London market), Gold (Frankfurt market), Gold (Zurich market).

Table: GOLD. Columns: Jan 12, Jan 11. Rows: Gold (fine ounce), Gold (London market), Gold (Frankfurt market), Gold (Zurich market).

Table: GOLD. Columns: Jan 12, Jan 11. Rows: Gold (fine ounce), Gold (London market), Gold (Frankfurt market), Gold (Zurich market).

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Large table listing various investment funds with columns for fund name, manager, and performance metrics. Includes sections for 'Offshore & Overseas Funds', 'European Equities', 'Global Funds', etc.

Canadian dollar bond offers attract European interest

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT
GENERAL MOTORS Acceptance Corporation (GMAC) is raising a \$250m, 10-year zero coupon bond through Salomon Brothers...

Mobil keeps U.S. Steel stock plan open

BY David Lascelles in New York
MOBIL last week's loser in the multibillion-dollar takeover battle for Marathon Oil...

U.S. BANK RESULTS
Fee income boosts Mellon National

BY OUR NEW YORK STAFF
HIGHER FEE income and interest earnings brought a 10 per cent earnings increase in 1981 for Mellon National Corporation...

Lone Star Industries tops expectations

BY OUR FINANCIAL STAFF
LONE STAR Industries the largest U.S. producer of cement, concrete and gravel...

Cuts at Kaiser Aluminum

BY OUR FINANCIAL STAFF
KAISER ALUMINUM and Chemical Corporation is to reduce its rate of production from 65 per cent of capacity...

Sharp fall at halfway for SCM

BY OUR FINANCIAL STAFF
THE SETBACK in profits at SCM, manufacturer of consumer and industrial products, slowed down in the second quarter of this year...

Seabrook utility in danger of bankruptcy

BY OUR NEW YORK STAFF
THE UTILITY building the controversial Seabrook nuclear power station in New Hampshire is in such a precarious financial condition...

FT INTERNATIONAL BOND SERVICE

This list shows the 200 latest international bond issues for which an adequate secondary market exists...

Table with multiple columns: U.S. DOLLAR, STRAIGHTS, DEUTSCHE MARK, SWISS FRANC, ASIAN STRAIGHTS, OTHER STRAIGHTS. Lists bond issues with columns for Issued, Bid, Offer, Day, Week, Yield.

Intel shows sharp drop in earnings

BY Louise Kehoe in San Francisco
Intel Corporation, a leading U.S. semiconductor chip manufacturer...

Goodyear lifts quarterly dividend

BY OUR FINANCIAL STAFF
GOODYEAR TIRE and Rubber Company, the leading U.S. tyre group, is increasing its quarterly dividend from 32.5 cents to 35 cents...

Miles Finance Company, Inc. Revolving Credit Facility. U.S. \$40,000,000. Arranged by Credit Suisse First Boston Limited. Funds provided by various banks including Aigembank, Bank of Montreal, etc.

Sun Company, Inc.

has sold a 25% interest in its Canadian subsidiary

Suncor Inc.

to

Ontario Energy Resources Ltd.

a subsidiary of

Ontario Energy Corporation

We served as financial adviser to Sun Company, Inc., and assisted in the negotiations.

WARBURG PARIBAS BECKER
INCORPORATED

A. G. BECKER INCORPORATED

January 1982

REPUBLIC OF PANAMA

Kuwaiti Dinars 5,000,000
9% Notes due 1983-88

We, Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.), as Fiscal Agent, on behalf of the Borrower, have purchased Notes in the principal amount of KD250,000 with unmatured coupons bearing serial numbers

0276 to 0375
0476 to 0475
0485 to 0484
0492 to 0491
(all numbers inclusive)

for the year ending 15th January, 1982 in terms of Condition 4 (B) of the terms and conditions of the Notes.

KD4,300,000 principal amount of Notes remain outstanding after 15th January, 1982.

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.),
Omar Bin Al-Khattab Street,
P.O. Box 5665, Safat,
Kuwait City, Kuwait.

13th January, 1982



ALCAN AUSTRALIA LIMITED

(Incorporated in the State of Victoria, Australia)

U.S. \$75,000,000

Floating Rate Notes due 1989

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 14th January, 1982 to 14th July, 1982 has been fixed at 15 1/2 per cent. per annum.

On 14th July, 1982 interest of U.S. \$779.31 per U.S. \$10,000 nominal amount of the Notes will be due against interest Coupon No. 1.

Swiss Bank Corporation
International Limited
Reference Agent



BfG Finance Company B.V.

U.S. \$100,000,000 Floating Rate Notes 1989
Extendible at the Noteholder's Option to 1994

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from 13th January, 1982 to 13th July, 1982 the Notes will carry an interest rate of 14 1/2 per cent. per annum. On 13th July, 1982 interest of U.S. \$75.10 will be due per U.S. \$1,000 Note for Coupon No. 7.

Agent Bank:
European Banking Company Limited

13th January, 1982



BANQUE SUDAMERIS

U.S. \$30,000,000 Floating Rate
Notes due 1987

For the six month period
January 13th 1982, to July 13th 1982
The Notes will bear an
interest rate of 14 1/2 per cent. per annum.
Interest payable on July 13th 1982.

Bankers Trust Company, London



CREDIT COMMERCIAL DE FRANCE

U.S. \$35,000,000 Floating Rate
Notes 1977-1983

For the six months
13th January, 1982 to 13th July, 1982
the Notes will carry an
interest rate of 14 1/2 per cent. per annum.

Listed on the Luxembourg Stock Exchange.
By: Morgan Guaranty Trust Company of New York, London
Agent Bank



CREDIT COMMERCIAL DE FRANCE

U.S. \$30,000,000 Floating Rate
Notes 1976-1983

For the six months
13th January, 1982 to 13th July, 1982
the Notes will carry an
interest rate of 14 1/2 per cent. per annum.

Listed on the Luxembourg Stock Exchange.
By: Morgan Guaranty Trust Company of New York, London
Agent Bank

U.S. \$200,000,000 Guaranteed Floating Rate Notes

Repayable at the Option of the Holder at Par
Commencing October 1982

Citicorp Overseas Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally Guaranteed by
CITICORP

In accordance with the terms and conditions of the above-mentioned Notes and Agent Bank Agreement dated as of April 3, 1980, between Citicorp Overseas Finance Corporation N.V. and Citibank N.A., notice is hereby given that the rate of interest has been fixed at 13 1/2 per cent. per annum and that the interest payable on the relevant interest payment date, April 13, 1982, against Coupon No. 8 in respect of U.S. \$10,000 nominal on the Notes will be U.S. \$45.31.

January 13, 1982
By: Citibank, N.A., London, Agent Bank

CITIBANK

PAN - HOLDING

SOCIETE ANONYME

Based on a provisional unaudited statement of the accounts as of December 31, 1981, the company's unconsolidated net assets amounted to US\$127,497,991.12, i.e. US\$182.14 for each of the 700,000 shares of US\$50 making up the company's capital.

The consolidated net asset value per share amounted as of December 31, 1981, to US\$185.83.

The Annual Report will be available at the registered office of the company as of March 31, 1982.

Olivetti reports strong increase in turnover

BY JAMES BUXTON IN ROME

OLIVETTI, the Italian office and data processing equipment manufacturer, says group turnover rose by 30 per cent last year, reaching a provisional figure of L2,830bn (\$2.8bn) compared with L2,180bn for 1980.

Turnover for the parent company, Inc. C. Olivetti was provisionally up 23.3 per cent at L1,860bn.

Sig Carlo de Benedetti, the vice-chairman, did not release details of the company's results, except to say that the 1981 profit was "even greater" than the L1,043bn registered in 1980.

The increase in turnover modestly exceeds the forecast of last September when a 28 per cent rise to 2,800bn was estimated. The weakness of lira against other major currencies helped lift the company's sales

abroad, explained Sig de Benedetti.

Turnover benefited for the first time from revenue earned from Olivetti's acquisitions. These include a 23 per cent stake in Docutel, a U.S. automotive teller machine manufacturer, and a 21 per cent stake in Syntrex, a U.S. word processing machine maker.

In the course of 1981 Olivetti bought a controlling stake in Hermes, the Swiss office equipment maker, and took a stake in Data Terminal Systems and its West German subsidiary, both of which contributed to 1981 group turnover.

The figures also reflect the fast growth of Olivetti's sales during 1981. For the first half of 1981 the parent company announced sales growth of 28.6

per cent, and a 37 per cent rise in exports, thanks in part to the success of its electronic typewriters.

The parent company is not affected by the revenue from newly acquired overseas subsidiaries and thus its performance can be more realistically set against the 1981 Italian inflation rate of about 20 per cent.

The 1981 figures were announced to a Parliamentary delegation investigating the current industrial crisis in Piedmont, where Olivetti is based.

Sig de Benedetti, who is responsible for transforming the fortunes of the formerly ailing group since he took over in 1978, said the turnaround had been achieved without any Government help.

Moët pays more after sharp advance

By Our Financial Staff

MOËT-HENNESSY, the champagne, cognac and perfume group, has achieved sharply higher sales and earnings for 1981.

Announcing this yesterday the company said it would pay an interim dividend of FF7.7 a share net. In 1980 an interim dividend of FF6 was followed by a final payment of FF7.7.

Moët expects to publish its full 1981 results in April. For 1980 net earnings totalled FF190.2m (\$28.8m), up from FF161.7m on sales more than a quarter ahead at FF2.92m.

At the time Moët pointed out that its 1980 results would have been 20 per cent higher had Schieffelin, a U.S. wine and spirits importer, been included. Schieffelin, which is based in New York and which has acted for Moët for years, was acquired at the close of 1980. Its inclusion for the first time has had a positive impact on Moët's overall 1981 profits.

The company's trading in 1980 was mixed with champagne and perfume moving ahead but profits from cognac dipping by 15 per cent. Moët gets something like two-thirds of total earnings from sales of champagne.

Recent years have seen Moët actively pursuing acquisitions. Schieffelin brought in additional FF800m of turnover but the U.S. business was very much in the traditional Moët drinks mould.

The company's bid to acquire control of the coveted Christian Dior fashion house takes it into an entirely new trading area. Moët already owns the Christian Dior perfume business.

Spanish move by Yamaha

By Our Financial Staff

YAMAHA MOTOR of Japan and the Banesto group of Spain have established a joint venture, Sociedad Española de Motocicleta in Spain to begin motorcycle production at Hospitalet near Barcelona from July.

The new company, capitalised at Pta 1bn (\$102m) will make models of 125cc to 400cc, producing an initial 20,000 a year to be sold in Spain and elsewhere in Europe.

RWE Dividend

Rheinisch-Westfälisches Elektrizitätswerke (RWE) will offer shareholders an unchanged dividend of DM 3 a share for the fiscal year ended June 30, 1981, the major West German power company said yesterday. RWE reported in August that 1980-1981 group sales rose 12.2 per cent to DM 20.5bn (\$8,983m), reports AP-DJ from Essen.

Dutch publishing profits slide

BY CHARLES BATCHELOR IN AMSTERDAM

TWO LEADING Dutch publishing groups, Verenigde Nederlandse Uitgeversbedrijven (VNU) and Elsevier-NDU, report a decline in profits for 1981.

VNU now expects that operating results to have fallen by about one-third from the FF77.2m (\$31m) of 1980. Extraordinary items will, however, cushion the decline at net level which for 1980 totalled FF47.2m or sales of FF1.32bn.

The most prominent of the year's extraordinary credits was a major tax item booked on the start-up costs of the new U.S.

encyclopedia. The entire start-up cost had been set against the previous year's profits.

Operating profit at Elsevier-NDU rose last year from the FF70m of 1980, but a delay in selling the company's Amsterdam offices reduced extraordinary profits and led to a slight fall at the net level.

The company had expected extraordinary charges and profits to balance each other out. It has sold book publishing subsidiaries in the U.S., Britain and Switzerland, but disposed of only some of its office buildings. Elsevier posted a net profit of

FF40.5m on sales of FF1.31bn in 1980. In the first half of 1981 net profit rose FF1m to FF21m on sales of FF688m.

VNU has taken up a FF80m private loan at 12.75 per cent to increase liquidity. Repayment of the 10-year loan starts at the end of the seventh year though complete or partial repayment is possible from the fifth year.

The company has already announced that it will pay an unchanged FF1.20 interim dividend per share. In 1980 it paid an unchanged total dividend of FF6.85.

Danish shipping group sets growth course

BY HILARY BARNES IN COPENHAGEN

AFTER A period in the doldrums in the mid-1970s, the Danish shipping company DFDS is engaged to a major expansion programme. It plans to double the number of passenger routes it carries on North Sea routes and this year is to operate on the east coast of the U.S. for the first time for 50 years.

The Danish company has dominated the Esbjerg (Jutland) to UK freight and passenger routes for almost a century. More recently it has acquired the Swedish Tor Lloyd freight and passenger services between the Swedish west coast and Copenhagen to UK ports, concluded a management agreement to operate the Fred. Olsen Bergen-Newcastle passenger route, and by acquiring the West German Prinz Line added to its fleet two roll-on roll-off freight and passenger ferries operating from Hamburg and Bremerhaven to Harwich.

Altogether, DFDS now operates 10 passenger and 12 freight-only vessels on North Sea routes. This year it will handle up to 24m passengers on these routes compared with under 1m in 1980.

DFDS' North Sea gains are a Swedish loss. Tor Lloyd, a subsidiary of Salens, was unable to operate the passenger services at a profit under the Swedish flag, and having acquired Tor's two passenger vessels it was a short step for DFDS to take over Tor's freight services as well. As the freight vessels are on charter, it did not involve a substantial capital outlay for DFDS.

DFDS' U.S. east coast project is an ambitious new venture. Its U.S. subsidiary, Scandinavian World Cruise Lines, is in the final stages of planning a New York-Bahamas, Bahamas-Florida cruise-carliner link-up, which will be sold to New Yorkers as the opportunity "to drive to Florida on a gallop of petrol."

U.S. regulations prevent vessels flying a foreign flag from plying between U.S. ports, so when DFDS saw the possibilities for developing east coast car-cruise services, it decided to do so by reaching Florida from New York via the Bahamas. Bahamas does not allow foreign vehicles on its roads, but the Government of the Bahamas

awarded DFDS a 10-year concession, by which cars using the DFDS service can use Bahamas roads, on condition that the vessels being used for the new venture are registered under the Bahamas flag.

A new cruise-carliner, Scandinavia, will open on the New York-Freepport route in October, calling at the terminal ports every fifth day. The Scandinavia has 1,800 berths and can carry 400 American-sized cars. A second cruise-carliner, the former Tor Britannia, re-named Scandinavian Star, will be engaged in Caribbean cruising and will be available for the

NET PROFITS (DKr m)	
1976	80.4
1977	177.1
1978	114.7
1979	13.1
1980	28.1

New York-Freepport route. DFDS hopes for about 200,000 passengers in the first full year of operation.

Passengers reaching the Bahamas from New York will be able to reach Florida, either Miami or Port Canaveral, by a shuttle service operated by the Blenheim, sailing as Scandinavian Sea, and a second vessel, sailing one-day "love-boat" cruises from the Florida ports to Bahamas.

DFDS today is in sounder financial shape, having hived off two loss-making Danish shipyards to its parent company, the J. Lauritzen shipping group. DFDS equity capital at the end of 1980 was DKr 644m (\$88m) and total assets DKr 1,350m. Profits after tax and allocations were DKr 28.1m on turnover of DKr 1,561m in 1980 and it hopes for a moderate improvement in earnings for 1981.

The DFDS fleet is relatively modern, with an average age of seven years, and as a result DFDS claims to be efficient. On one of its Danish domestic ferry routes, the turn-round time for a 500-car ferry is 22 minutes. But DFDS also has an unusual management style which, it says, has contributed "significantly" to profitable passenger service operations. This is the concept of shipboard management.

The concept was introduced eight years ago by Mr Erik Heirung, the managing director, when it became clear that something drastic had to be done to turn the company round. It means giving shipboard personnel the entire responsibility for running the ship, the captain becoming the managing director of an individual profit centre.

This system has two consequences, saving onshore personnel and increasing crew loyalty to the ship and generating crew inventiveness and entrepreneurial spirit. The system played a major role in turning DFDS' financial position in the 1970s.

The system is now applied to all DFDS vessels, and the success of the U.S. venture will depend in high degree on the motivation which the system will bring.

NOTICE
To the Note Holders of
Walt Disney Productions International Finance N.V.
\$100,000,000
15 1/2% Guaranteed Notes Due 1988

On January 7, 1982, Bank of America, Franklyn Branch, San Francisco 94104, California, U.S.A., as Trustee for Walt Disney Productions International Finance N.V. has been appointed Paying Agent with respect to the outstanding notes of Walt Disney Productions International Finance N.V. listed above.

Further information regarding this notice can be obtained from Michael E. Sagan, Senior Vice President-Finance, Walt Disney Productions, 600 South Buena Vista Street, Burbank, California 91521.

Takeda Chemical Industries, Ltd.

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS FOR COMMON STOCK

Under the terms of Clause 20 on the reverse of Bearer Depositary Receipts notice is hereby given of the termination of all agreements with owners of BDRs.

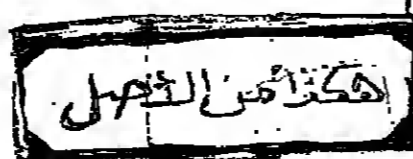
Effective date 15th February 1982
Clause 20 is detailed below.

(20) Termination of Deposit Agreement. The Depositary will at any time at the direction of the Company terminate the Deposit Agreement by giving notice of such termination to the holders of receipts at least thirty days prior to the date fixed in such notice for such termination. If any receipts shall remain outstanding after the date of termination, the Depositary thereafter will discontinue the transfer of receipts, will suspend the distribution of dividends to the holders thereof, and will not give any further notices (other than notice of such termination) or perform any further acts under the Deposit Agreement except that the Depositary will continue to collect dividends and other distributions pertaining to deposited securities, will sell rights as provided in the Deposit Agreement and will continue to deliver deposited securities in exchange for receipts surrendered to the Depositary. At any time after the expiration of two years from the date of termination the depositary may sell the deposited securities then held under the Deposit Agreement and may thereafter hold the net proceeds of any such sale, without liability for interest, for the pro rata benefit of the holders of receipts which have not therefore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement, except to account for such net proceeds and other cash. Upon the termination of the Deposit Agreement, the Company shall be discharged from all obligations thereunder except for its obligations to the Depositary with respect to indemnification and the Depositary's charges and expenses.

The exchange of Bearer Depositary Receipts into shares of Common Stock is made without any fees or charges, effective on and after 27th November 1981.

TAKEDA CHEMICAL INDUSTRIES LTD.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK



السوق المالية

Companies and Markets INTL. COMPANIES & FINANCE

HOLD-UP ON JAPANESE SALES AGREEMENT

Woodside LNG project delayed

BY PATRICIA NEWBY IN CANBERRA

THE SECOND stage of Australia's biggest ever resources project...

Woodside had hoped for final contracts to be signed by the end of last year...

an alternative fuel. The project's partners said they believe they can still meet the 1986 target...

announced that the Goodwyn number six appraisal well in the Woodwyn Basin flowed at a rate of 2,210 barrels a day...

All-round improvement at Perlis

By Wong Sulong in Kuala Lumpur

PERLIS PLANTATIONS, the diversified Malaysian group, has reported another record profit...

The final dividend is 10 per cent for total of 28.5 per cent on increased capital of 126 million...

Orient Leasing forecasts slowdown after 30% rise

ORIENT LEASING, Japan's largest leasing company...

Its consolidated net income by 30.3 per cent to Y3,038 million (\$13.6m) in the year ended September 30...

Korea in talks with U.S. group on share fund

By Ann Charters in Seoul

SOUTH KOREAN Ministry of Finance officials have started preliminary talks with International Finance Corporation...

Jordan Exploration in profit

JORDAN EXPLORATION and Investment Company...

The Israeli concern whose activities are mainly abroad, has reported net profit for the year to June 1981...

Since last June the company has bought through an overseas subsidiary three bulk carriers totalling 23,000 dwt for \$9.1m...

The Government expects to set up a U.S. joint-venture company with Korean and U.S. securities companies as partners to manage the fund...

EVERYONE IS TALKING ABOUT A RETAIL BANKING REVOLUTION— THE BANKER

will be talking about the cost

The rising cost of processing billions of cheques a day is dictating fundamental changes in customer service. Is technology the real answer?

Inter-bank collaboration in introducing automated cash handling and dispensing technology is essential. Are the banks moving as far and as fast as retail banking competition dictates?

With increasing competition from in-store banking, plastic money and non-bank financial institutions, what is the future for branch banking?

Will high interest rates and the competitive pressure to provide interest-bearing current accounts undermine the profitability of retail banking?

THE MARCH ISSUE OF THE BANKER WILL BE DISCUSSING THESE QUESTIONS IN DETAIL ALONG WITH AN APPRAISAL OF HOW FAR MODERN METHODS OF RETAIL BANKING HAVE DEVELOPED IN EUROPE, THE U.S., JAPAN AND AUSTRALASIA.

BANKS, FINANCIAL INSTITUTIONS AND SYSTEMS MANUFACTURERS INTERESTED IN ADVERTISING TO THE WORLDWIDE MANAGEMENT READERS OF THE BANKER SHOULD CONTACT:

The Marketing Director THE BANKER Minster House Arthur Street London EC4 Tel: 01-623 1211 Telex: 8814734

Gold Fields Group

DECEMBER QUARTERLIES

Table for DOORFONTEIN GOLD MINING COMPANY LIMITED. Issued capital: 10,000,000 shares of R1 each, fully paid. Operating results for 6 months ended 31/12/1981.

Table for DRIEFONTEIN CONSOLIDATED LIMITED. Issued capital: 54,638,000 ordinary shares of R1 each, fully paid. Operating results for 6 months ended 31/12/1981.

Table for DEELKRAAL GOLD MINING COMPANY LIMITED. Issued capital: 99,540,000 shares of 20 cents each, fully paid. Operating results for 6 months ended 31/12/1981.

Table for KLOOF GOLD MINING COMPANY LIMITED. Issued capital: 30,240,000 shares of R1 each, fully paid. Operating results for 6 months ended 31/12/1981.

Table for LIBANON GOLD MINING COMPANY LIMITED. Issued capital: 7,937,300 shares of R1 each, fully paid. Operating results for 6 months ended 31/12/1981.

Table for VLAKFOONTEIN GOLD MINING COMPANY LIMITED. Issued capital: 6,000,000 shares of 70 cents each, fully paid. Operating results for 6 months ended 31/12/1981.

Table for VENTERSPOST GOLD MINING COMPANY LIMITED. Issued capital: 5,050,000 shares of R1 each, fully paid. Operating results for 6 months ended 31/12/1981.

Table for VENTERSPOST GOLD MINING COMPANY LIMITED. Issued capital: 5,050,000 shares of R1 each, fully paid. Operating results for 6 months ended 31/12/1981.

NOTE: Copies may be obtained from the United Kingdom Registrar: Close Registrars Limited, 803, High Road, Leyton, London, E10 7AA

WORLD STOCK MARKETS

Early fresh decline on Wall St

WITH INVESTORS continuing to worry about the outlook for U.S. interest rates, Wall Street Monday's share and wide-spread trading was further active trading.

The Dow Jones Industrial Average, 16 points weaker the previous day, was 3.71 lower at 846.75 by 1 pm. The NYSE All-Common Index fell 52 cents more to 87.24, while there was a three-to-one ratio of declines to advances.

Analysts noted that a recent strong growth in the money supply, particularly in the figures to be reported this Friday, have renewed fears that the Federal Reserve would be forced to tighten monetary policy.

Still in the wake of the favourable decisions reached for their respective companies, IBM and ATT remained the two most active stocks early yesterday. IBM up on 1/8 to \$57.1/8, ATT \$60, shed 1/4 of Monday's 1/8 rise.

The stocks of independent telephone companies were mostly lower, with United Telephone down 1/8 to \$18. General Telephone and Electronics down 1/8 to \$30.1, International Telephone and Telegraph declined 1/8 to \$37.1/8.

Many computer stocks also lost further ground on fears of increased competition from IBM. Data General receded 1/8 in \$49.1/8, Control Data 1/8 to \$32.1/8, Honeywell 1/8 to \$64.1/8.

THE AMERICAN SE Market index shed 3.54 more to 206.65 at 1 pm. Volumes 3.34m shares.

Closing prices for North America were not available for this edition.

Shares tended to lose further ground to fairly active early trading. The Toronto Composite Index was 12.9 lower of 1,943.9 at mid-day. Oil and Gas lost 22.6 to 3,386.7, but Golds, down 204.6 on Monday, rallied 7.7 to 2,517.0.

With sentiment dampened by the sharp overnight fall on Wall Street and upward pressure on U.S. interest rates, the Tokyo market retreated with Blus Chips leading the declines.

The Nikkei-Dow Jones Average shed 43.49 to 7,631.77 and the Tokyo SE index 2.37 to 563.43. However, trading volumes remained fairly light, totalling 210m shares (170m).

Light Electricals, Precision Instruments and Motors were sold, while Heavy Electricals Machines led to \$3,750. Toyota fell 1/8 to \$2,650, Fuji Photo Y20 to \$978, Fuji Photo Y30 to \$1,260, Canon Y25 to \$1,866, Honda Y18 to \$1,777, Nissan Electric Y11 to \$1,788 and Hitachi Y7 to \$681.

Pharmaceuticals, manufacturers of new ceramic materials, and other High Technology issues were also lower. Kyoto Ceramic, strong of late on its new ceramic engine, led Y60 to \$3,860, while Takeda Pharmacy declined 1/8 to \$3,981, Fujikura Cable Y11 to \$3,981 and Kyowa Hakkio Y8 to \$605.

In contrast, Non-ferrous Metals and Construction advanced. Sumitomo Metal Mining rose Y39 to \$630, Mitsui Smelting Y15 to \$1,386, Hokenmen Y11 to \$1,386 and Matsuda Construction Y12 to \$1,386.

A widespread retreat took place in fairly quiet trading, with dealers citing the overnight weakness on Wall Street and rising yields on the Domestic Bond market. The Commerce Index recorded a fall of 10.0 at 670.6.

Hoehst, in Chemicals, remained under pressure from its fall.

one-for-10 rights issue and closed DX 2.80 down at DM 116.30.

Among Electricals, Siemens fell DM 2.50 to DM 199.20, while AEG, which said its Soviet turbine deal had run into complications due to U.S. sanctions, dipped DM 2.00 to DM 43.50.

Mannesmann, general contractor for the Siberian pipeline, shed DM 3.30 to DM 146.70. Among other Engineering, Deutsche Babcock dropped DM 4.50 to DM 174 and Linde DM 6 to DM 305.

On the Domestic Bond market, Public Authority Loans closed with fresh issues averaging 90 pence, and the Bundmarkt bought a heavy DM 182.1m paper after DM 28m purchases on Monday.

The fresh fall in world Gold Bullion prices coupled with the sharp setback suffered by the Wall Street stock market overnight caused a broad further decline on Australian markets, but share volumes were low.

The All Ordinaries Index finished 6.0 weaker at 569.3 and has now lost about 4.5 per cent since standing at 595.5 on December 31. Metals and Minerals receded 8.5 to 398.4 and Oil and Gas 12.0 to 639.0.

Woodside Petroleum, however, put on 4 cents to AS18.18 on reporting a flow of 2,210 barrels of oil per day from the Goodwyn No. 6 appraisal well in the Carnarvon Basin in Western Australia. The company has a 50 per cent interest in the well.

Gold shares were generally weaker to a moderate trade, although a few issues managed small net gains as the Bullion price steadied after its recent fall.

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

one-for-10 rights issue and closed DX 2.80 down at DM 116.30.

Among Electricals, Siemens fell DM 2.50 to DM 199.20, while AEG, which said its Soviet turbine deal had run into complications due to U.S. sanctions, dipped DM 2.00 to DM 43.50.

Mannesmann, general contractor for the Siberian pipeline, shed DM 3.30 to DM 146.70. Among other Engineering, Deutsche Babcock dropped DM 4.50 to DM 174 and Linde DM 6 to DM 305.

On the Domestic Bond market, Public Authority Loans closed with fresh issues averaging 90 pence, and the Bundmarkt bought a heavy DM 182.1m paper after DM 28m purchases on Monday.

The fresh fall in world Gold Bullion prices coupled with the sharp setback suffered by the Wall Street stock market overnight caused a broad further decline on Australian markets, but share volumes were low.

The All Ordinaries Index finished 6.0 weaker at 569.3 and has now lost about 4.5 per cent since standing at 595.5 on December 31. Metals and Minerals receded 8.5 to 398.4 and Oil and Gas 12.0 to 639.0.

Woodside Petroleum, however, put on 4 cents to AS18.18 on reporting a flow of 2,210 barrels of oil per day from the Goodwyn No. 6 appraisal well in the Carnarvon Basin in Western Australia. The company has a 50 per cent interest in the well.

Gold shares were generally weaker to a moderate trade, although a few issues managed small net gains as the Bullion price steadied after its recent fall.

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

Germany

NEW YORK

Table of stock prices for New York, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

NEW YORK

Table of stock prices for New York, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

Stock

Table of stock prices for various companies, including columns for Stock, Jan 11, Jan 8, and various indices.

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

NEW YORK

NEW YORK ACTIVE STOCKS

TROPICAL TIMBER

International pact brought closer

BY BRUI KHINDARIA IN GENEVA

TROPICAL TIMBER has recently moved to the forefront of likely candidates for international commodity agreements...

depending on whether they are Asians, Africans or Latin Americans—about what an ICA should contain.

Stabilisation

Japan tabled a detailed text for an ICA on tropical timber and earlier hopes that the March preparatory commission talks will be the last before formal negotiations for an ICA.

The issue of money is the most divisive at this time. The Japanese proposal pins its hopes for financing of timber development projects on voluntary contributions from governments, loans from the world bank and other international agencies...

Future demand

World bank lending for forestry-related projects increased from 0.5 per cent to 6 per cent of its total agricultural spending at the end of 1980.

The latest talks in Geneva created a framework for collection of market information and statistical data on tropical timber, clearing the last main hurdle towards conclusion of an International Commodity Agreement (ICA).

Research system

Tropical timber is included in a programme sponsored by the Geneva-based UN Conference on Trade and Development (UNCTAD) under which 18 commodities...

For the purposes of the accord, tropical timber would be defined as "industrial tropical woods (bois d'oeuvre) which grows on or is produced from the woodlands of countries that are located between the tropics of Cancer and Capricorn."

A meeting of experts from governments has agreed on the creation of a three-part market research and intelligence-gathering system which would feature monitoring of tropical timber markets, the evaluation of data collected and a regular system of meetings between producers and consumers...

Japan has emphasised tropical timber development projects in its proposal for the ICA, under which an international tropical timber organisation governed by a council would be created.

Debt aid for Danish farmers

By Hilary Barnes in Copenhagen

Prime Minister Anker Joergensen yesterday promised to introduce a negative income tax and debt refinancing measures for farmers.

The Danish agricultural organisations estimate that about 15,000 farms face threatened with foreclosure within the next few months, including about 5,000 which creditors will move against at the end of March because mortgage payments have been missed.

Asian food bank proposed

BANGKOK — The Economic and Social Commission for Asia and the Pacific (ESCAP) has recommended establishing an Asian food bank to cover shortages and emergencies in the region.

The bank would also take over marketing and centralise the buying and selling of food for its members to ensure outlets for exporters and stable supplies for importers.

Asian food bank proposed

The proposal, made in a report on food supply published yesterday, is being discussed this week by officials from the 24 member countries before the commission's annual meeting in March.

Hopes of cane sugar settlement

Community has granted its domestic sugar producers. The ACP countries will also be seeking to discuss payments under the stabilisation of export earnings (STABEX) agreement with the EEC.

Hopes of cane sugar settlement

THE SUGAR exporting countries of the African, Caribbean and Pacific (ACP) group expect that their long standing disagreement with the EEC over prices will be settled in a few weeks.

Active trading in tin

ACTIVE tin trading was the prime feature of the London metals markets yesterday with cash tin finishing at \$222.50 up on the day at \$252.50 a tonne.

The widening backwardation — a difference between the higher cash price and the three months forward price — of more than \$500 a tonne on the London market. Three months delivery tin closed at \$207.50 a tonne having added only \$22.50 on the day's trading.

Active trading in tin

called "influential buyers." The buying operation, thought to be supported by the big Eastern tin producers, is now in its seventh month and shows no sign of running out of steam.

Active trading in tin

lost \$7.50 to close at \$215 a tonne for cash. Zinc lost \$10.25 to close at \$210.25 for cash. U.S. producer prices are declining for the two metals and the London markets are being affected by low physical demand as well.

Australian wheat estimate raised

CANBERRA — The Australian Government's Bureau of Agricultural Economics (BAE) has raised its estimate of 1981-82 wheat production to 16.10m tonnes from its previous 15.30m tonnes estimate and last year's drought affected 10.80m.

The meeting was scrapped because of scheduling problems among several officials. The conference will bring together representatives of Canada, the U.S., Australia, Argentina and the EEC.

The officials will discuss possible international marketing schemes and prices and will try to lay the groundwork for a new international wheat agreement.

Thailand asked to sell rice

BANGKOK — Thailand has been approached by many countries to sell them rice, Commerce Minister, Punnee Pimsri told economic ministers here.

Thailand asked to sell rice

The Thai news agency quoted Mr Punnee as saying these included Indonesia and Malaysia for 250,000 tonnes each, Senegal for 200,000, Singapore 120,000, China 100,000 and South Yemen 50,000.

Thailand asked to sell rice

He said talks are under way regarding prices and terms of delivery.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal type (Copper, Tin, Zinc), grade, and price per tonne.

BRITISH COMMODITY MARKETS

GRAINS

Table with columns for grain type (Wheat, Barley, Oats), grade, and price per tonne.

BRITISH COMMODITY MARKETS

SOYABEAN MEAL

Table with columns for soyabean meal type and price per tonne.

BRITISH COMMODITY MARKETS

COFFEE

Table with columns for coffee type (Arabica, Robusta), grade, and price per tonne.

BRITISH COMMODITY MARKETS

COCOA

Table with columns for cocoa type and price per tonne.

BRITISH COMMODITY MARKETS

POTATOES

Table with columns for potato type and price per tonne.

BRITISH COMMODITY MARKETS

LEAD

Table with columns for lead type and price per tonne.

BRITISH COMMODITY MARKETS

ALUMINIUM

Table with columns for aluminium type and price per tonne.

BRITISH COMMODITY MARKETS

WHEAT

Table with columns for wheat type and price per tonne.

BRITISH COMMODITY MARKETS

COFFEE

Table with columns for coffee type and price per tonne.

BRITISH COMMODITY MARKETS

COCOA

Table with columns for cocoa type and price per tonne.

BRITISH COMMODITY MARKETS

POTATOES

Table with columns for potato type and price per tonne.

BRITISH COMMODITY MARKETS

LEAD

Table with columns for lead type and price per tonne.

BRITISH COMMODITY MARKETS

ALUMINIUM

Table with columns for aluminium type and price per tonne.

BRITISH COMMODITY MARKETS

WHEAT

Table with columns for wheat type and price per tonne.

PRICE CHANGES

Table showing price changes for various commodities like metals, oil, and grains.

AMERICAN MARKETS

Table showing market data for American markets including live hogs, copper, and soybeans.

PRICE CHANGES

Table showing price changes for wool futures.

PRICE CHANGES

Table showing price changes for various commodities like oil, sugar, and coffee.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

PRICE CHANGES

Table showing price changes for various commodities like tin, zinc, and nickel.

A NEW RANGE OF COMMODITY SERVICES ON THE REUTERS MONITOR. Exchange prices, prices contributed by market makers, statistics, news and foreign exchange rates.

COFFEE. Promoted by a steady New York close and weaker starting London market.

WHEAT. The London physical market opened easier, attracted little interest throughout the day.

SOYABEAN MEAL. The market opened about unchanged and remained in a narrow trading range.

WOL FURTURES. LONDON NEW ZEALAND CROSS-BREEDING (in ounces per bushel).

EUROPEAN MARKETS. PARIS, Jan 12. 202. March 204, April/May 189, June 190.

INDICES. FINANCIAL TIMES. DOW JONES. MOODY'S. REUTERS.

Table of recent issues with columns for Issue Price, Amount, Latest Date, 1981/2 High/Low, and Stock details.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue Price, Amount, Latest Date, 1981/2 High/Low, and Stock details.

"RIGHTS" OFFERS

Table of rights offers with columns for Issue Price, Amount, Latest Date, 1981/2 High/Low, and Stock details.

Announcement data usually last day for dealing free of stamp duty. Includes details on various stock offers and their terms.

ACTIVE STOCKS

Table of active stocks with columns for Stock, Closing Price, Day's Change, and other market data.

Table of Monday's active stocks with columns for Stock, Monday's Price, Monday's Change, and other market data.

In the leaders, Western Mining Holdings gave up 4 to 177p and CRA 2 to 152p. Among the speculative, new lows for 1981/82 were common to Kitchener 5 off at 96p and Swan Resources and Greenhushes Tin which lost 2p to 36p and 56p respectively.

LONDON STOCK EXCHANGE

Adverse U.S. influences add to markets' worries and equity index falls 6 points to 524.6—Gilts dull too

Account Dealing Dates Option. First Declara- Last Account Dealings Tons Dealings Day Dec 23 Jan 7 Jan 8 Jan 18 Jan 21 Jan 22 Feb 7 Jan 25 Feb 11 Feb 12 Feb 22

The near-inevitability of national rail disruption, possibly on a scale more serious than recently envisaged, and the threat of industrial action by the miners were not the only deterrents to investment in London stock markets yesterday.

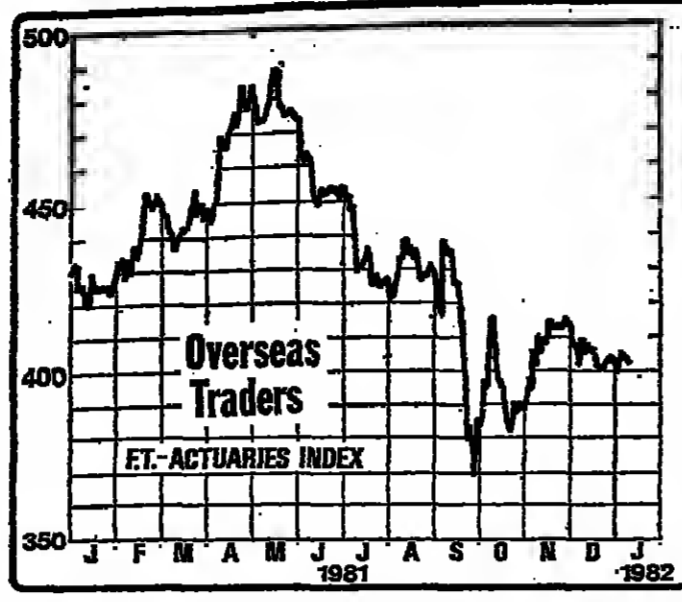
The unexpected weakness in New York on Monday resulted in London dealers marking leading shares down sharply at the opening. Business continued to be inhibited because of the bad weather and prices subsequently made only a tentative recovery.

Measuring the weaker trend, the FT Industrial Ordinary share index was down 7.7 at the first calculation of the day but the market slowly regained some composure and the index steadied to close net six points off at 524.6. Turner and Newall

provided one of the few index constituents to resist the dullness, rumours of an imminent market raid lifting the abares to 35p before a close of 3 higher on balance at 90 3/4.

The current plight of sterling, weak again yesterday, and the possibility of higher American interest rates combined to unsettle gilt-edged. Quotations were lowered at the outset and eased a shade further on light selling to show fresh issues of 3 throughout the list.

Royal Bank harder. After the previous day's drop of 49, which followed reports that the Monopolies Commission had rejected the two £500m takeover bids for the group, Royal Bank of Scotland eased further in the early dealings yesterday to 140p but rallied to close a net 4 dearer on balance at 147.



4 to 135p. Bank of Scotland fell 8 more for a two-day loss of 48 to 470p following further liquidation of speculative positions; it was announced yesterday that the Kuwait Investment Office now holds a 9 per cent stake in the bank.

House of Fraser came on offer at 156p, down 6. Habitat touched 108p before settling for a net fall of 8 at 110p following news that the proposed merger with Mothercare is not to be referred to the Monopolies Commission.

Thorn EMI down again. Still unsettled by talk that the group might announce a sizeable rights issue with tomorrow's interim figures, Thorn EMI lost 6 more to 438p. Other Electrical leaders also traded lower, but the volume of business was moderate.

Turner & Newall up. Speculative buying fuelled by rumours of a dawn raid helped Turner and Newall to close 3 better at 90 3/4, after 89p. Other miscellaneous industrial leaders declined lower on sporadic offerings and lack of support, reflecting the worsening labour situation.

Turner & Newall up. Speculative buying fuelled by rumours of a dawn raid helped Turner and Newall to close 3 better at 90 3/4, after 89p. Other miscellaneous industrial leaders declined lower on sporadic offerings and lack of support, reflecting the worsening labour situation.

Turner & Newall up. Speculative buying fuelled by rumours of a dawn raid helped Turner and Newall to close 3 better at 90 3/4, after 89p. Other miscellaneous industrial leaders declined lower on sporadic offerings and lack of support, reflecting the worsening labour situation.

Turner & Newall up. Speculative buying fuelled by rumours of a dawn raid helped Turner and Newall to close 3 better at 90 3/4, after 89p. Other miscellaneous industrial leaders declined lower on sporadic offerings and lack of support, reflecting the worsening labour situation.

leaders with a fall of 8 to 378p, while BP eased 4 further to 292p. Berkeley Exploration, down 10 at 355p, turned reactionary following confirmation that KCA's holding in the company is for sale. KCA International, also a firm market on Monday, reacted to 114p before closing 6 cheaper on balance at 116p.

Trusts trended easier, with falls of around 4 recorded in Continental and Industrial, 26p, and Murray Glendower, 15p. Dealings were temporarily suspended in Colonial Securities at 54p; the company announced yesterday that discussions are taking place which may lead to an offer for the whole of the issued share capital.

Continued nervousness over the recent decline in the bullion price, coupled with another poor performance by base-metal prices on the London Metal Exchange led to renewed falls in mining markets.

South African Golds generally moved narrowly in subdued trading, reflecting the uncertainty surrounding the bullion price yesterday. A mere 25 cents cheaper at \$387.5 an ounce.

FINANCIAL TIMES STOCK INDICES

Table of Financial Times Stock Indices with columns for Index Name, 1981/2 High/Low, and 1982 values.

10 am 622.5, 11 am 523.2, Noon 523.5, 1 pm 524.4, 2 pm 524.6, 3 pm 524.6. Latest Index 01-246 8026.

HIGHS AND LOWS S.E. ACTIVITY

Table of Highs and Lows and S.E. Activity with columns for Index Name, 1981/2 High/Low, and 1982 values.

COMPANY NOTICES

REPUBLIC OF IRELAND 9 1/2% 1976/1983 UA 15,000,000. Entreprise de Recherches et d'Activites Petrolieres S.A.P. Public Corporation of the French State.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN YAMAICHI SECURITIES CO., LTD. The interest payable on the relevant interest payment data, July 12, 1982 against Coupon N°2 will be US\$ 7,551.74 per Note.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN MARUBENI CORPORATION. Further to our Notice of September 25, 1981, EDR holders are informed that Marubeni Corporation has paid a dividend to holders of record September 25, 1981.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK. U.S.\$ 100,000,000 Guaranteed Floating Rate Notes due 1989 Series LXIII.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK. U.S.\$ 100,000,000 Guaranteed Floating Rate Notes due 1989 Series LXIII.

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981/82.

Table of New Highs and Lows for 1981/2 with columns for Company Name, 1981/2 High/Low, and 1982 values.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN YAMAICHI SECURITIES CO., LTD. The interest payable on the relevant interest payment data, July 12, 1982 against Coupon N°2 will be US\$ 7,551.74 per Note.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN MARUBENI CORPORATION. Further to our Notice of September 25, 1981, EDR holders are informed that Marubeni Corporation has paid a dividend to holders of record September 25, 1981.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK. U.S.\$ 100,000,000 Guaranteed Floating Rate Notes due 1989 Series LXIII.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK. U.S.\$ 100,000,000 Guaranteed Floating Rate Notes due 1989 Series LXIII.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK. U.S.\$ 100,000,000 Guaranteed Floating Rate Notes due 1989 Series LXIII.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Table of Equity Groups and Sub-sections with columns for Index Name, 1981/2 High/Low, and 1982 values.

RISES AND FALLS YESTERDAY

Table of Rises and Falls Yesterday with columns for Index Name, 1981/2 High/Low, and 1982 values.

OPTIONS

First Last Deal-Declar- For Deal-Declar- Settling For Share Information Service

Calls were taken out in Chloride, Hambros Bank, Imps, Royal Bank of Scotland, Tozer Kemsley and Millburn, Tricentrol, Cowan de Groot, KCA International, Martinec, IGL, Comben and Stiglo. A put was arranged in Durban Deep, while doubts to be completed included BP, Royal Bank of Scotland, Lincolnt Kilgour and P & O Deferred.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Table of Equity Groups and Sub-sections with columns for Index Name, 1981/2 High/Low, and 1982 values.

FIXED INTEREST

Table of Fixed Interest with columns for Index Name, 1981/2 High/Low, and 1982 values.

Table of Average Gross Redemption Yields with columns for Index Name, 1981/2 High/Low, and 1982 values.

* Flat yield. Highs and lows record base dates and values and constituent changes are calculated in Standard Issues. A list of abbreviations is available from the Publishers, The Financial Times, Bracken House, Chancery Street, London, EC2A 4DP, Telex: 155, Fax: 01-563 3000.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgmt., Abbey Unit Tr. Mgmt. (2), and others, including their managers and contact information.

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. (2), Abbey Unit Tr. Mgmt. (3), and others, including their managers and contact information.

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. (3), Abbey Unit Tr. Mgmt. (4), and others, including their managers and contact information.

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. (4), Abbey Unit Tr. Mgmt. (5), and others, including their managers and contact information.

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. (5), Abbey Unit Tr. Mgmt. (6), and others, including their managers and contact information.

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. (6), Abbey Unit Tr. Mgmt. (7), and others, including their managers and contact information.

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. (7), Abbey Unit Tr. Mgmt. (8), and others, including their managers and contact information.

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. (8), Abbey Unit Tr. Mgmt. (9), and others, including their managers and contact information.

NOTES: Prices are in pence unless otherwise indicated. Values are in £100 unless otherwise stated.

FT UNIT TRUST INFORMATION SERVICE

Main table for FT Unit Trust Information Service, listing various insurance and property bond products from companies like ANEV Life Assurance Ltd., Growth & Sec. Life Ass. Co. Ltd., and others.

INSURANCE PROPERTY BONDS

Table listing insurance and property bond products, including details on coverage, terms, and contact information for various providers.



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield.

Shorts (Lives up to Five Years)

Table of Short-term investments with columns for Name, Price, and Yield.

Five to Fifteen Years

Table of Medium-term investments with columns for Name, Price, and Yield.

Over Fifteen Years

Table of Long-term investments with columns for Name, Price, and Yield.

Undated

Table of Undated investments with columns for Name, Price, and Yield.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and Yield.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, and Yield.

LOANS

Table of Loans with columns for Name, Price, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Price, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals and Plastics with columns for Name, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and Yield.

ELECTRICALS

Table of Electricals with columns for Name, Price, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and Yield.

HOLES AND CATERERS

Table of Holes and Caterers with columns for Name, Price, and Yield.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) with columns for Name, Price, and Yield.

Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

Table of Food, Groceries, etc. with columns for Name, Price, and Yield.

Consolidated Accounts in Europe advertisement with text and logo.

International Financial DAIWA SECURITIES

MINES - Continued Central African

MINES - Continued Australian

MINES - Continued Tins

MINES - Continued Copper

MINES - Continued Miscellaneous

MINES - Continued Sri Lanka

NOTES
Unless otherwise indicated, prices and bid dividends are in pence and denominated in 20p. Estimated price/earnings ratios and covers are based on latest published accounts...

TEAS
India and Bangladesh
Sri Lanka

MINES
Central Rand
Eastern Rand
Far West Rand

REGional MARKETS
Algeria, Argentina, Australia, Belgium, Brazil, Canada, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, USA, West Germany, Yugoslavia.

Options
3-month Call Rates
Recent issues and Rights Page 32

OIL AND GAS - Continued

OIL AND GAS - Continued

OVERSEAS TRADERS

OVERSEAS TRADERS

RUBBERS AND SISALS

RUBBERS AND SISALS

TEAS

TEAS

MINES

MINES

REGional MARKETS

REGional MARKETS

INVESTMENT TRUSTS - Cont.

INVESTMENT TRUSTS - Cont.

SHOES AND LEATHER

SHOES AND LEATHER

SOUTH AFRICANS

SOUTH AFRICANS

TEXTILES

TEXTILES

TOBACCOS

TOBACCOS

TRUSTS, FINANCE, LAND

TRUSTS, FINANCE, LAND

PROPERTY - Continued

PROPERTY - Continued

SHIPPING

SHIPPING

SOUTH AFRICANS

SOUTH AFRICANS

TEXTILES

TEXTILES

TOBACCOS

TOBACCOS

TRUSTS, FINANCE, LAND

TRUSTS, FINANCE, LAND

LEISURE

LEISURE

MOTORS, AIRCRAFT TRADES

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Motors and Cycles

Commercial Vehicles

Commercial Vehicles

Components

Components

Garages and Distributors

Garages and Distributors

NEWSPAPERS, PUBLISHERS

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PAPER, PRINTING ADVERTISING

INDUSTRIALS - Continued

INDUSTRIALS - Continued

INSURANCE

INSURANCE

The complete construction service



Deacon
Tunbridge Wells (0892) 39211

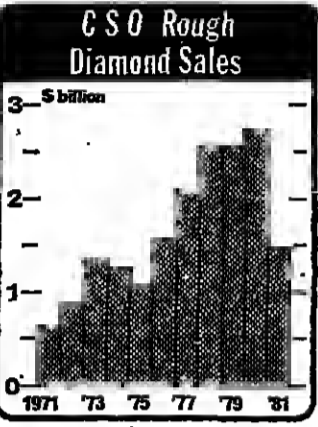


the active lenders
TCB Ltd, Century House, Brighton BN1 3FL
Telephone: 0273-2511

World sales of diamonds down 46% last year

By Kenneth Marston, Mining Editor

THE RECESSION removed sparkle from diamond sales last year. According to De Beers, whose Central Selling Organisation handles the marketing of some 90 per cent of world rough (meat) diamond production, world sales were 46 per cent down on 1980's record \$2.72bn, at \$1.47bn (£783m).



Even after allowing for the weakening position of the South African rand against the dollar there was a 41.6 per cent fall. In rand terms last year's sales were R1,256m. South Africa is the largest diamond producer.

The second half of the year was particularly depressed. Sales then were only \$520m. The diamond business has been suffering from a combination of earlier over-stocking at cutting and polishing centres, high interest rates and the general economic recession. The Central Selling Organisation has built up big unsold stocks of rough diamonds, especially of higher value gems in an attempt to stabilise the market.

As a result stocks at cutting centres, severely hit by the recession, have recently fallen markedly. Retail jewellery sales appear to have held up quite well. Both in the trade and at retail level, there is reported to be a good demand for smaller and less expensive gems.

The market for the high-priced polished diamonds usually acquired for investment purposes remains very depressed. But the signs are that the worst of the recession in the market generally may be over.

Continued from Page 1

Rail strike

Aslef followed sharp criticism of the union by Mr David Howell, Transport Secretary. Mr Howell said the strike was "particularly callous and self-defeating" and would hit BR users when they were already down due to the bad weather.

Referring to possible further Government funding for increased electrification of the railway network, he said: "At a time when the Government and BR were prepared to spend money on modernising the system, standing in the way of it are Aslef leadership, who seem to be prepared to cock a snook at the whole thing."

He advised travellers, especially those in London, to travel only if necessary. Drivers should share cars and costs, and give free lifts, and workers should stagger their hours if possible.

Gulf Oil 'victory' in key U.S. pay talks

BY PAUL BETTS IN NEW YORK

AGREEMENT was reached yesterday in the first of a series of wage contracts in key sectors of U.S. industry with what appears to be a major victory for business.

Gulf Oil, the fifth largest U.S. oil company, and its refinery workers in the Oil, Chemical, and Atomic Workers International Union, reached a preliminary agreement involving wage increases and other benefits far lower than the union had sought.

The agreement, still to be approved by union members at Gulf, involves a 16 per cent wage increase over two years with a 9 per cent rise this year to be followed by a 6 per cent rise next year. The union had sought a 27 per cent rise over the two years of the contract's life. Gulf had originally offered a 12 per cent increase over two years.

Gulf is the first of the U.S. oil majors to agree a new two-year wage contract. In all, 400 contracts affecting about 55,000 refinery workers are up for renewal. The first settlement has traditionally set the pace for agreements between the union and the oil companies.

The new contract has been agreed quickly, reflecting pressures on the union at a time of a widespread slowdown in U.S. oil refining. Oil companies have been shutting excess refinery capacity as the oil products market has been stagnant. The union was worried about the possibility of widespread layoffs if contract negotiations became bogged down in acrimonious bargaining.

Early agreement is also expected in negotiations between the United Auto Workers Union, General Motors and the Ford Motor Company on the companies' three-year contracts which are scheduled for renewal next September.

Union leaders have set a January 23 deadline to reach preliminary agreement on the two contracts. This would mark a breakthrough in labour negotiations in the U.S. car industry which is also threatened with large-scale lay-offs.

The car workers' talks opened on Monday in an unusually conciliatory atmosphere. The union appears willing to accept some labour saving concessions, although Mr Douglas Fraser, the head of the Auto Workers, has warned that unless preliminary agreement is reached by the January 23 union deadline, the contract talks could be stalled and would not reopen before the summer.

The car companies, whose sales suffered badly last year, are either continuing or increasing their incentive programmes to encourage sales and reduce the high level of stocks. Ford said yesterday that it plans to offer a two-year free maintenance programme, a 5 per cent customer cash bonus and other incentives until the middle of March for its Escort and Lynx models.

sections met at the engineering section's headquarters in South London yesterday to try to resolve differences—many of which have their roots in the wide political divergence between the left-led Tass and the right-led engineering section. However, the meeting underscored rather than softened these differences.

The engineering section is to appeal against a High Court judgement in November which upheld a ruling by the Certification Officer forbidding a full merger between the engineering, foundry and construction sections. Tass had argued at the hearing that a merger would be against the AUEW rules, and would seriously discriminate against its members' interests.

For his part, Tass is to proceed with its injunction against the move by the engineering union, made early in 1980, to increase the size of its national committee from 52 to 91. The effect of this move was to increase the engineering section's delegation at the national conference of all four sections—

which Tass again claims would have discriminated against its members. However, plans to break up the amalgamation without recourse to the courts are to proceed simultaneously. Mr Baldwin is to write to Mr Ken Gill, the Tass general secretary, asking for a meeting.

Mr Baldwin said that he would attempt to convince Tass that it should support his plan to allow the four sections to go their separate ways—a plan which requires a nine-tenths majority at the national conference, and which Tass alone could probably block.

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

delegation at the national conference of all four sections— which Tass again claims would have discriminated against its members. However, plans to break up the amalgamation without recourse to the courts are to proceed simultaneously. Mr Baldwin is to write to Mr Ken Gill, the Tass general secretary, asking for a meeting.

Mr Baldwin said that he would attempt to convince Tass that it should support his plan to allow the four sections to go their separate ways—a plan which requires a nine-tenths majority at the national conference, and which Tass alone could probably block.

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

Mr Gill said last night that he would accept the invitation to the talks, but that Tass did not favour the plan. He said: "I am disappointed that it has come to court action. We have never initiated such action, but have been forced to go to the courts to protect our members' interests."

North Sea rig finance from Lloyds Bank lease

By William Hall, Banking Correspondent

LLOYDS BANK, the smallest of the Big Four clearing banks, has signed an \$30m leasing facility for a sophisticated North Sea drilling rig. It is believed to be the biggest deal yet done by a single leasing company and reflects the rapid growth in the capacity of the UK leasing market.

Lloyds Leasing is providing the entire finance for a dynamically positioned semi-submersible drilling rig which can drill in depths of up to 4,500 ft—three times the depth of the latest generation of semi-submersible drilling rigs.

Construction will start soon at the Clydebank yard of Scott Lithgow, and be leased to a joint venture company, St Vincent Drilling, owned by the British National Oil Corporation and Ben Odeco, a 50-50 joint venture between Ben Line Offshore Contractors and Odeco, a major U.S. drilling company.

BNOC has an initial charter of 6 1/2 years following delivery of the rig in early 1984. The lease has been structured so that the charterer is St Vincent Drilling and the sub-charterer BNOC. The benefit of the sub-charter has been assigned to Lloyds Leasing. Earnings from the initial charter period are expected to cover the cost of the rig which will operate in very deep waters of the U.K. Continental shelf.

Some 85 per cent of the cost of the rig is covered by concessionary finance under the Government's scheme to assist UK shipowners who place orders in domestic shipyards.

Mr Alan Barnes, the manager of Lloyds Leasing, said yesterday: "Only three years ago such a deal would have been out of the question other than on a syndicated basis, but since then we have seen individual companies taking on larger and larger deals."

He pointed out that the volume of new UK leasing finance had grown from \$130m in 1972, to \$1,214bn in 1978 and \$2,359bn in 1980.

Lloyds Leasing will pay for the construction of the rig over the next three years, setting off the amount of the capital allowances to which it is entitled against the profits of the Lloyds Bank group.

THE LEX COLUMN Birth pangs for Habitat

Index fell 6.0 to 524.6

The new Habitat-Mothercare infant lies squalling in its cradle after a traumatic birth. Unkind things have been said about its parentage and the length of its gestation period, while the birthweight was at one point yesterday as low as 108p a share, 17p below the level at which its institutional godparents did the underwriting.

One of the reasons for the birthweight was that RTZ, which has announced that he does not want to have much to do with babies from now on. Not a good start.

The pension funds' case committee has given the bid the most guarded of welcomes, but it is clear that many fund managers remain unhappy about the suddenness with which the merger followed the Habitat flotation. The fall in Habitat's share price has brought down the value of the convertible—which makes up a third of the bid currency—by roughly 10 per cent already, and many investors may anyway not want to hold this paper.

The buyers of Habitat stock (80 per cent pension funds) find themselves with an investment very different from what they intended. At the same time the underwriters may still be overweighed in Habitat even after accepting as much as possible of the cash alternative—provided by themselves—for their Mothercare holdings.

This all adds up to a weak technical position for the shares. The best answer to that is higher earnings, based perhaps on a return by Mothercare to its 1980-81 profit level next year after this year's very depressed £15m or so pre-tax.

That would work through into a prospective multiple of 12 times, fully-taxed and diluted, in 1982-83 against 14 1/2 times in the current year, and seems to be more or less what the market is looking for. This rating does not look demanding against, say, British Home Stores. But the big question concerns Mothercare—is it past its prime and beyond recall, or can its decline be arrested by breezy new ideas from the Habitat team? Maybe —yet changes for the better in established retail businesses have proved in the past exceptionally difficult to achieve.

Neither BNOC or Ben Odeco are putting equity into the deal. Lloyds Leasing is confident, however, that there is little risk attached to the project. BNOC is committed to making regular payments even if the rig is not operating satisfactorily.

Weather

UK TODAY

MOSTLY DRY and sunny after fog clears. But fog may persist in Eastern and Central England. Some snow in the North.

London, E. Anglia, Midlands, S. Wales

Very cold with bright intervals as freezing fog clears. Max. temp. 2C (36F).

S.E., Central, S. and S.W. England, Channel Isles.

Very cold and dry with sunny intervals. Fresh winds along the coast. Max. temp. 5C (41F).

Moray Firth, N. Scotland, Orkney, Shetland

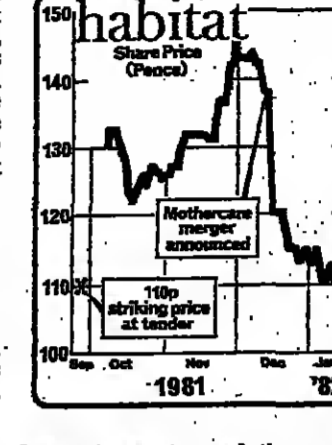
Mostly cloudy with rain, sleet or snow in places. Fresh or strong winds. Max. temp. 6C (43F).

Outlook: Dry in the South, some rain in the North. Continuing cold in the South-East but warmer in the North and West.

Index fell 6.0 to 524.6

Index fell 6.0 to 524.6

Index fell 6.0 to 524.6



Index fell 6.0 to 524.6

Index fell 6.0 to 524.6

Index fell 6.0 to 524.6

Index fell 6.0 to 524.6

Index fell 6.0 to 524.6

Index fell 6.0 to 524.6

Split threatens AUEW

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE AMALGAMATED Union of Engineering Workers, the country's second biggest union, came a step nearer to breaking up yesterday as its dominant engineering section and its white-collar section, AUEW-Tass, both declared they would take the other to court on different issues.

At the same time, the two smaller parts of the amalgamation—the foundry section and the construction section—made it clear they would have to agree full amalgamation quickly with the engineering section or other unions to avoid a financial crisis.

The AUEW, whose four parts came together between 1967 and 1970, is a loose, federal body with effective autonomy vested in each section.

Mr John Baldwin, the construction section's general secretary, said last night: "If we do not amalgamate then we go bankrupt—it is as simple as that."

The executives of the four sections met at the engineering section's headquarters in South London yesterday to try to resolve differences—many of which have their roots in the wide political divergence between the left-led Tass and the right-led engineering section.

However, the meeting underscored rather than softened these differences. The engineering section is to appeal against a High Court judgement in November which upheld a ruling by the Certification Officer forbidding a full merger between the engineering, foundry and construction sections.

Laing leaves Allied-Lyons board

BY REG VAUGHAN

SIR HECTOR LAING yesterday resigned from the board of Allied-Lyons amid renewed stock market speculation of a bid by the beer, wine and food group for Huntley and Palmer, the UK biscuit manufacturer.

In a brief announcement Allied-Lyons said that Sir Hector, who is chairman of United Biscuits, had resigned from the board because the company's "increased involvement in the food industry could create a conflict of interest."

Sir Hector said his decision to leave the board of Allied-Lyons, where he was a non-executive director, had nothing to do with any purchase of shares in Huntley and Palmer.

Allied-Lyons is reported to have acquired a shareholding of more than 4 per cent in Huntley and Palmer late last year.

Another major shareholder, Rowntree Mackintosh, moved into the market on December 23 and increased its holding in the biscuit group from 18.6 per cent to 23.5 per cent.

United Biscuits is the largest biscuit manufacturing group outside the U.S. It controls about two-fifths of the UK biscuit market.

CBI to call for public sector boost

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CONFEDERATION of British Industry is likely to urge the Government to provide an extra £1bn in the Budget for the capital investment programmes of nationalised industries and other major public sector organisations.

CBI leaders are expected to consider this proposal, which is aimed at increasing activity in the manufacturing and construction industries, at their monthly council meeting next Wednesday. They will be debating the organisation's annual Budget submissions to the Chancellor of the Exchequer.

The CBI is also likely to raise the size of the overall boost to the economy which it wants Sir Geoffrey Howe to provide from £1.5bn to about £2bn.

This would be a considerably smaller figure than has been proposed by some prominent CBI members who are concerned about the impact of the recession and who have argued for a boost of between £3bn and £5bn.

But it is likely to emerge next Wednesday as the figure which gains general support from the council because the CBI does not want to be accused of making inflammatory demands.

About £1bn would come from a cut of two percentage points in the 3 1/2 per cent National Insurance Surecharge. The cost of the £1bn boost for state investment projects would be partly offset by selling some nationalised industries' assets and by raising some of the funds in the private sector. This would leave enough room for the cuts in local council rates and energy costs that the CBI also wants.

Eurodollar

Continued from Page 1

short-term interest rates were if anything, slightly easier. The seven-day interbank rate, which plays a key role in determining bank base rates, fell by 1/4 of a percentage point to 14 1/4.

The longer term rates, such as the one-year rate, were up to an 1/4 of a percentage point firmer.

The Bank of England continued to keep the money markets amply supplied with funds providing nearly £400m of assistance in the face of a £350m shortage.

There were indications that the UK authorities were giving some support to the pound which suffered a bout of late selling following the opening of the U.S. markets and closed only 13 points above its day's low in London against the dollar. Sterling continued to lose ground against the D-Mark, finishing at DM 4.2875 from DM 4.3075 on Monday. Against the Swiss currency it fell from SwFr 3.4975 to SwFr 3.48.

The U.S. currency's effective exchange rate, on the Bank of England index, which had touched 106.4 just over a week ago, continued to climb closing 0.2 higher at 108.4. In Europe the dollar closed at DM 2.2865, its highest level since mid-December, and at SwFr 1.8560.

CBI rates battle initiative Page 6

The Hongkong and Shanghai Banking Corporation

Incorporated in Hong Kong with limited liability

Notice of Forfeiture of partly paid Rights Shares of HK\$2.50 each

On 2 November 1981 an announcement appeared as an advertisement in the press in Hong Kong and the United Kingdom informing holders of partly paid Rights Shares who had overlooked their obligation to make payment of the Final Call of HK\$6 per share by 22 October 1981 that the Directors of the Bank had decided not to implement the right to forfeit the Rights Shares, provided that payment of HK\$6 per partly paid Rights Share (together with interest at the rate of 20 per cent per annum on the amount overdue from 22 October 1981 until the date of payment) was made not later than 3 p.m. (Hong Kong time) on 15 December 1981.

On 19 November 1981 a circular was sent to all persons whose names appeared as the registered holders of partly paid Rights Shares on which the Final Call had not then been paid reminding them of their obligation to make payment of the Final Call and stating that failure to pay the relevant amount by 3 p.m. (Hong Kong time) on 15 December 1981 would result in the partly paid Rights Shares being liable to forfeiture for the benefit of the Bank.

The holders of 337,260 partly paid Rights Shares have failed to pay the Final Call on such shares by the due date, as a consequence of which such partly paid Rights Shares have been duly forfeited to the Bank by resolution of the Directors of the Bank passed at a Board Meeting held on 12 January 1982. Individual notifications are being despatched to the relevant persons.

All certificates representing partly paid Rights Shares are no longer valid and should be returned for cancellation to Central Registration Hong Kong Limited, Hopewell Centre, 17th Floor, Mezzanine, 183 Queen's Road East, Hong Kong.

By Order of the Board
F.R. Frame
Secretary

Hong Kong, 13 January 1982

Poland

Continued from Page 1

Josef Czyrek, his Polish military rulers did not manage to beat the crisis on their own. Mr Czyrek met Mr Mikhail Suslov, the Kremlin's chief Communist ideologue.

Continued from Page 1

In a communique released yesterday, Mr Gromyko and Mr Czyrek condemned what they called "gross interference" by the West in Poland's affairs, and said that U.S. economic sanctions in particular were aimed at preventing normalisation of life in Poland. Washington sought to turn Poland into a seat of tension, it said.

Continued from Page 1

Mr Czyrek condemned the West's campaign of hostility against Poland since military rule had been introduced. He